

RTS GROUP
TRUCKS, TRAILERS, SYSTEMS, RO-RO FLATS, CONTAINERS
SERVING SHIPS, PORTS, INDUSTRY

NEWS SUMMARY

GENERAL BUSINESS

'Munich deaths' Arab killed

A Palestinian militant leader, based by the PLO as the mastermind of the 1972 "Munich massacre" was killed last night along with four of his aides when a radio-controlled bomb exploded in Moslem West Beirut.

Abu Hassan was in charge of personal security for PLO chairman Yasser Arafat and was blamed by Israel for the Olympic Games attack at Munich, in which 11 Israeli team-members were killed.

The Fatah Commando Organisation said the bomb exploded as Abu Hassan and his aides were driving by. At least two more people were killed by the blast. Page 4

Shah in Morocco

The Shah of Iran arrived in Marrakesh, Morocco for talks with King Hassan. Student supporters of Ayatollah Khomeini in Bombay seized the Iranian Consulate. They said they would release their five hostages today. Khomeini rejects envoy. Page 4

Italy talks

Italy's Christian Democrats start crucial talks today with other party leaders in a bid to stop the break-up of the ruling coalition. Page 2

Granada damages

Granada Television company and four other plaintiffs were awarded £500,000 (£274,000) over an article in the "Daily Star" which claimed a documentary on labour conditions there was Soviet-financed.

Phone tapping

Phone tapping by the Government and police was attacked as "unlawful" in the High Court by Mr. Colin Ross-Munro, QC. He was appearing for Surrey antique dealer James Malone, seeking an injunction against the Metropolitan Police Commissioner to stop police tapping his telephone.

Keegan agrees

England soccer international Kevin Keegan has agreed a further one-year contract with Highbury, after the German club said he could play for America's Washington. Diplomats this summer.

Killer hunted

Detectives hunting the killer of Lorraine Holt, 3, whose mutilated body was found on school fields near Derby, were using heating equipment to clear snow from the immediate area.

Eric goes solo

Comedian Eric Morecambe, admitted to a St. Albans hospital after feeling ill last Friday, has been moved to a room by himself. His wife Joan said his sense of fun with other patients and visitors was stopping him having the rest he needed.

Youth get life

An 18-year-old youth, who admitted to causing £264,000 damage by arson to a school and other property in Prescott, Lancashire, was jailed for life at Liverpool Crown Court.

Briefly

Major brewers plan to press ahead with beer price rises of up to 3p a pint.

International team of scientists plans to make the rain in Spain fall mainly on the plain of Valladolid in summer control tests.

First shipment of Coca-Cola to China will be loaded on to a Canton-bound train from Hong Kong today.

West German tourist and a Kenyan were shot dead by robbers near Mount Kenya.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISINGS		FALLS	
Aberdeen Invs.	116 + 11	Treas. 12pc '03-05 '82	104 - 1
Alexanders' Discount	262 + 4	Ash Spinning	104 - 5
Cashmere	45 + 4	Assoc. Fisheries	40 - 3
Genesys Photo.	64 + 5	Bearman	613 - 10
Imry	408 + 5	Brown (J.)	380 - 8
Pawson (W. L.)	73 + 3	Dufay Bitumastic	39 - 6
Small & Tidman	55 + 10	Dunlop	84 - 3
Strong & Fisher	74 + 5	Eagle Star	122 - 5
Union Discount	317 + 7	GEC	322 - 5
Wigfall (H.)	281 + 9	Heron Motors	119 - 4
Kuala Kepong	88 + 4	Highland Distillers	86 - 6
Cons. Gold Fields	192 + 5	Lloyds Bank	290 - 6
Elandarand	263 + 15	Matthews Wrightson	170 - 6
Palabora	550 + 30	Midland Bank	367 - 11
Vogels	78 + 5	Morris & Blakey	192 - 8
Welkom	392 + 23	Real Estate	344 - 8
		Royal Insurance	345 - 8
		Tate & Lyle	184 - 4
		East Daggartstein	19 - 8

Monetary targets must be met, Richardson says

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

The Government must adhere strictly to its money-supply target and to fiscal restraint in spite of further inflationary pressures, Mr. Gordon Richardson, Governor of the Bank of England, said last night.

He made the most explicit statement so far of the implications of the level of pay claims for the economy and for employment targets, and argued that monetary targets should not be relaxed to accommodate those pressures.

Mr. Richardson was speaking at the dinner of the Institute of Bankers in Scotland. He emphasised the large contribution made to the restoration of financial stability by restraint of money supply within a published target.

That with appropriate fiscal restraint, had, he said, "gained in importance in the present climate. Despite the addition to inflationary pressure that is now in prospect, there must be no loss of resolve in adhering to these now, when they are most needed."

The clear implication of Mr. Richardson's remarks is not only that there is no room for relaxation of fiscal policy in the Budget but that the Government should ensure that fiscal policy, through the level of taxes and public spending, fully supports monetary objectives.

Senior Ministers have generally preferred to be less explicit on the issue although yesterday Mr. Joel Barnett, Chief Secretary to the Treasury, said:

panies are generally in no position to absorb further sharp increases in labour costs.

Without mentioning the Government's proposals to strengthen the powers of the Price Commission, he emphasised that "the unavoidable consequence of action designed to prevent such excessive cost rises from being passed on in higher prices will be some

forced curtailment of profits, production and employment."

It was not a "central banker's prejudice or apprehension but a fact of economic arithmetic that a rise of some 2 to 3 per cent in national output accompanied by a rise of 10, 12 or 14 per cent in earnings must increase the cost of that output, causing accelerating inflation or increased unemployment or some combination of these evils."

Mr. Richardson maintained that no one should be under any illusion that there could be any long-term and durable resolution of the present crisis that did not involve "substantial change in the structure of our pay bargaining."

In his speech, the Governor also discussed the use of North Sea oil. "The contribution of some £5bn made by North Sea oil to Gross Domestic Product over the past four years has been very largely matched by the strong growth in personal consumption recorded last year."

However, "Why cannot in my view regard the pattern of demand in 1978, and only a marginal surplus on the current account of our balance of payments, with much satisfaction."

Rail strike call for Thursday

Another national rail strike has been called for Thursday by ASLEF, the train driver's union. Back Page.

Lorry strike effects, Pages 8 and 9. Parliament, Page 10. Editorial Comment, Page 18.

Public employees' strike to go on in some areas

BY PAULINE CLARK AND ALAN PIKE

THE WIDESPREAD disruption caused by yesterday's one-day strike of public-sector manual workers will continue indefinitely in some areas.

In Scotland, 75,000 General and Municipal Workers' Union members in local government and the Health Service declared that they favoured all-out strike action if the next meetings on their pay claim produced unsatisfactory results.

Egyptians to build VW Beetle

BY GUY HAWTIN IN FRANKFURT

EGYPT is to build Volkswagen's Beetle model under a licensing agreement concluded yesterday after 1½ years negotiation.

VW will not only provide the Egyptians with equipment and technology for the plant, it will also be a partner in the Egyptian company that will produce the vehicles.

The announcement is a major boost to President Anwar Sadat's efforts to attract foreign investment to restore his country's war-battered economy. Volkswagen's Wolfsburg headquarters said total investment in the project would be between DM 50m and DM 60m (\$27.2m and \$32.6m).

Production at the Egyptian plant will start at 10,000 Beetles a year. It is a relatively limited output compared with VW's American plant which has a capacity of 800 units a day.

The first year's output at the plant will equal only one day's production worldwide but VW export part of their Beetle output. It emphasised that the agreement covered only private cars and said that production of a second VW model in Egypt had not been ruled out.

Production of the Beetle in West Germany was halted in January, 1978, but more than 1,000 a day are still being produced, mostly in Brazil and Mexico. Other countries where the group has factories include Nigeria, South Africa and Indonesia.

Labour tries for new social pact

BY RICHARD EVANS

MINISTERS and union leaders went all out yesterday for a credible alternative to rigid incomes policy, to restore the social contract in a bid to retrieve Labour's electoral chances.

At the same time the TUC invited leaders of the Confederation of British Industry to discuss collective bargaining reforms for the longer term.

At one of their regular dinners last night they asked the CBI whether it would join in some forum for an annual review of the economy.

This ambitious attempt to involve the CBI is part of a plan to develop collective bargaining at national level as a substitute for imposed or voluntary pay policies.

With the present 5 per cent pay limit in ruins, the TUC Labour Party liaison committee decided at Congress House to seek a new agreement in a month's time on collective bargaining, including relationship of public and private-sector pay levels.

The agreement would cover prices, investment, industrial strategy, the unions' own role, and their relationship with the TUC, is to give the Government some badly needed reinforcements for its election manifesto.

After the liaison committee meeting the Prime Minister stressed that he had found "a strong desire on the part of trade union leaders to reach an

agreement with the Government and to find a way through the present difficulties.

"They do recognise that national policy must be designed to benefit the nation as a whole and not one section, however large or important."

"There is a recognition that excessive settlements will only be achieved at the expense of others," Mr. Callaghan said at the Granada Television "What the Papers Say" award lunch at the Savoy.

Faced with growing tensions within the Labour Party Ministers seemed to intend to move fairly quickly in the next few weeks.

Informal links will be established between Mr. Denis Healey, Chancellor of the Exchequer, and other economic Ministers and TUC leaders. Mr. Callaghan is unlikely to play an active role initially.

The Prime Minister said in his Savoy speech that Ministers would continue their talks patiently to find a common approach with the unions, as nothing could relieve the Government of its responsibilities.

"We have carried them out and will continue to do so in every field, constitutional, economic, fiscal and monetary," the Premier declared.

He admitted that the spate of industrial unrest had been a setback, but for the country as well as the Government.

Carter rejects general tax cut

By Jurek Martin, U.S. Editor, in Washington

THE CARTER Administration will not support any general tax cut this year because of the inflationary risks.

This was made clear here as President Carter's "lean and austere" budget for the 1980 fiscal year, beginning in October, was presented to Congress.

A budget deficit of \$29bn is projected, compared with the estimated \$37.4bn for the year. It has been achieved by offsetting a 3 per cent real increase in defence spending with wide-ranging but not especially deep cuts on social programmes.

Mr. Michael Blumenthal, the Treasury Secretary, emphasised yesterday that until inflation was brought under control "it would be very risky to entertain a general tax cut."

The Budget documents disclose that the President has not ruled out economic stimulation by tax reductions next year—which happens to be a Presidential election year.

But pressure for action from all sides of the political spectrum may come before then as economic growth begins to slow.

The economic assumptions underlying the budget demonstrate the fine line the Administration is trying to adhere to in avoiding a recession. Real growth in calendar 1978 is only projected at 2.2 per cent (against 3.9 per cent last year) with a small advance to 3.2 per cent next year. The long run potential growth in the economy is normally put in the 3.5 per cent range.

The Administration also concedes that unemployment will worsen as a result of the contraction, averaging 6.2 per cent in both the next two years compared with 5.9 per cent at the end of 1978, and that inflation will only be brought down slowly—with consumer prices going up 7.4 per cent and 6.3 per cent this year and next, as against 9.2 per cent in the year just ended.

In his message to Congress accompanying the budget, the President warned that "real sacrifices" would have to be made if inflation was to be beaten.

Continued on Back Page
Editorial Comment, Page 18

£ in New York

	Jan. 18	Previous
Spot	£2.0060-0070/\$2.0095-0105	
1 month	0.35-0.50 dia/0.41-0.56 dia	
3 months	1.11-1.06 dia/1.07-1.00 dia	
12 months	3.50-3.50 dia/3.40-1.00 dia	

"I want a staff health insurance scheme that's low on cost, high on cover, inflation-protected and it must be run by the most experienced organisation".



Exactly.

We couldn't have said it better ourselves—CompanyCare from BUPA.

CompanyCare has been specially designed for companies wishing to cover between 5 and 49 people. It is simple, economic and offers comprehensive protection against private medical costs with built-in inflation protection.

If you would like to know how CompanyCare can help keep your business healthy—fill in this coupon—today!

The British United Provident Association Limited, FREEPOST, London WC2R 3AX (No postage needed).

Name _____ (BLOCK CAPITALS PLEASE)

Company _____ Position _____

Address _____

Postcode _____ Telephone _____

Tick box if you would also like to know about our schemes for 50 or more employees. FT/UT/CC

BUPA CompanyCare

CONTENTS OF TODAY'S ISSUE

European news	2	Parliament	10	Minlog	21
American news	2-3	Technical page	28	Int'l companies	22-24
Overseas news	4	Management page	15	Euromarkets	4, 22, 23
World trade news	4	Arts page	17	Money and exchanges	25
UK news—general	5-9	Leader page	18	World markets	30
—labour	8	UK companies	20, 21	Farming raw materials	31
				UK stock market	32

FEATURES

SKF's bid to get profits rolling again	18	Ivory Coast economy: reviving the miracle	4	Film and video: decline of creative sparkle	16
Mideast peace: a treaty on quicksand	19	Coocarde set for new expanded network	7	Algerian State oil and gas arranging a loan	23
Italy: the inevitable confrontation	2	Japan: sweeping changes at Mazda Motor company	15	FT SURVEY	II-14

ANNUAL STATEMENTS

Appointments	27	FT-Archives Indos.	32	TV and Radio	16
Appointments Ad.	28-27	Unit Trusts	19	Value of E	25
Base Rates	30	Law	36	Weather	35
Business Oppts.	29	Lombard	16		
Currents	27	Man and	8		
Crossword	15	Saleroom	6		
Entertainment Guide	10	Share Information	34-35	INTERIM STATEMENTS	
European Oppts.	30	Today's Events	19-26	G. R. Francis	20
				Gold Fields Prop.	6

For latest Share Index phone 01-246 8025

EUROPEAN NEWS

Lynch calls for wage restraint

By Stewart Dalby in Dublin

MR. JACK LYNCH, the Irish Prime Minister, has called on the unions to play their full part in the Government's five-year programme to eliminate unemployment...

His appeal came as power cuts in various parts of the country seemed likely as a result of a 24-hour unofficial stoppage called by a small number of workers at the ESB's largest electricity generating plant in North Kerry.

The dispute which was due to begin last night at midnight involves just 11 key shift supervisors who have a long-standing claim for regrading.

The station at Tarbert in Kerry, has a 620 MW capacity, equivalent to about a third of the country's peak demand consumption of 1,900 MW. Various areas of the country could suffer power cuts later today if the strike is effective.

The stoppage follows a week of communications strikes. A nationwide bus strike was settled at the weekend with pay increases equivalent to more than 10 per cent which was the last norm of the current national wage agreement.

The Cardinal predicted yesterday that the new Pope would bring what he called "a fresh wind" into the Vatican's "Ostpolitik". He would take "a very clear and very firm stand" on relations between Church and state in Eastern Europe, albeit this would be done in a courteous way.

Poland would be stood on its head, the Cardinal told a Press conference.

National wage agreements between organised unions which cover more than 70 per cent of the non-agricultural workforce and employers, have worked more or less successfully for the past eight years.

The Government recently admitted that wage drift has taken pay increases to around 16 per cent on average last year, and is determined that this figure must be brought down this year.

In his speech, Mr. Lynch warned: "Pressures for pay increases above the terms of the national wage agreement are trends which cannot continue."

Bonn expects 4% economic growth

BY ADRIAN DICKS IN BONN

THE West German Cabinet is expected to adopt today economic forecasts for 1979 that include an increase of 4 per cent in real gross domestic product, a further modest decline in the unemployment rate to about 4 per cent, and a rise of about 6 per cent in wages and salaries.

The full series of forecasts, contained in the annual economic report, are to be published tomorrow. In the meantime, key excerpts were given wide coverage in the West German Press yesterday.

The report appears to adhere closely to the stated view of Count Otto Lambsdorff, the Economics Minister, and other senior officials that the economy should continue to expand at roughly the pace registered during the second half of 1978.

A difference from recent ministerial pronouncements, however, is the apparently increased confidence with which the forecasters are predicting a further strong upward push in investments by industry in plant and equipment.

With the 1979 wage round only in its early stages, this forecast is likely to be used as one more reproach by the West German trade unions against the coalition Government, where they have long resented the weight exerted on economic policies by the Free Democrats, including Count Lambsdorff and his predecessor, Herr Hans Friderichs.

None the less, the 1979 negotiations are once again accompanied by the caveat that further moderate wage rises remain an essential precondition for the 4 per cent growth target.

The Government has already had the customary endorsements of most outside forecasters for this view, as also for its warning that fresh recession abroad, or renewed monetary turbulence, would severely strain recovery in West Germany itself.

This week, the Bundestag will be debating the 1979 budget proposals, first introduced last September, and subsequently revised by parliamentary committees.

The budget committee, reflecting the increasingly nervous attitude in all parties towards Government spending, has chopped some DM 4.3bn (£1.16bn) from the record DM 35.5bn in new borrowing proposed by Herr Hans Friderichs, the Finance Minister, last autumn.

However, thanks to an upward revision of tax income forecasts by DM 2.2bn, and a DM 1.1bn profit earned by the Post Office on its telecommunications business, its only relatively minor adjustments to projected outlays seem likely.

The committee's recommended budget total stands at DM 203.3bn (£55bn), compared to Herr Friderichs' original figure of DM 204.6bn.

Under the agreement, the syndicate would advance Ziraat \$125m on a revolving basis for three years. The loan would be made on the basis of certified exportable stocks of cotton and hazelnuts, two of Turkey's biggest export items.

The revolving credit agreement for the financing is to be signed soon between a syndicate of banks led by Wells Fargo and T. C. Ziraat Bankasi (Agriculture Bank of Turkey), it was learned yesterday.

Under the agreement, the syndicate would advance Ziraat \$125m on a revolving basis for three years. The loan would be made on the basis of certified exportable stocks of cotton and hazelnuts, two of Turkey's biggest export items.

The revolving credit agreement for the financing is to be signed soon between a syndicate of banks led by Wells Fargo and T. C. Ziraat Bankasi (Agriculture Bank of Turkey), it was learned yesterday.

Under the agreement, the syndicate would advance Ziraat \$125m on a revolving basis for three years. The loan would be made on the basis of certified exportable stocks of cotton and hazelnuts, two of Turkey's biggest export items.

The revolving credit agreement for the financing is to be signed soon between a syndicate of banks led by Wells Fargo and T. C. Ziraat Bankasi (Agriculture Bank of Turkey), it was learned yesterday.

Under the agreement, the syndicate would advance Ziraat \$125m on a revolving basis for three years. The loan would be made on the basis of certified exportable stocks of cotton and hazelnuts, two of Turkey's biggest export items.

The revolving credit agreement for the financing is to be signed soon between a syndicate of banks led by Wells Fargo and T. C. Ziraat Bankasi (Agriculture Bank of Turkey), it was learned yesterday.

Under the agreement, the syndicate would advance Ziraat \$125m on a revolving basis for three years. The loan would be made on the basis of certified exportable stocks of cotton and hazelnuts, two of Turkey's biggest export items.

The revolving credit agreement for the financing is to be signed soon between a syndicate of banks led by Wells Fargo and T. C. Ziraat Bankasi (Agriculture Bank of Turkey), it was learned yesterday.

Under the agreement, the syndicate would advance Ziraat \$125m on a revolving basis for three years. The loan would be made on the basis of certified exportable stocks of cotton and hazelnuts, two of Turkey's biggest export items.

The revolving credit agreement for the financing is to be signed soon between a syndicate of banks led by Wells Fargo and T. C. Ziraat Bankasi (Agriculture Bank of Turkey), it was learned yesterday.

Under the agreement, the syndicate would advance Ziraat \$125m on a revolving basis for three years. The loan would be made on the basis of certified exportable stocks of cotton and hazelnuts, two of Turkey's biggest export items.

The revolving credit agreement for the financing is to be signed soon between a syndicate of banks led by Wells Fargo and T. C. Ziraat Bankasi (Agriculture Bank of Turkey), it was learned yesterday.

Several public agencies and co-operatives which handle the purchase and export of agricultural products.

All export earnings by these agencies would be deposited with Wells Fargo as agent for the syndicate to pay for the drawn section of the loan. Once repaid, each segment of the loan or the whole of it would once more be available to Ziraat.

Turkey is planning to export over \$1.2bn worth of agricultural commodities this year.

To be able to use all \$125m of the loan, Ziraat would be obliged to show an agricultural goods collateral of \$167m—in other words, there would be a margin of \$25m between the value of the goods and the amount of pre-export financing which could be raised on the strength of it.

The agreement will be in three sections: a revolving credit agreement, pledge and security agreement, and collateral agency agreement.

Bankers said that this agreement could serve as an example to be followed to finance industrial and mineral exports by the private sector.

A preliminary exchange of views is known to have taken place on pre-export financing between Citibank and the Kozgrup which is the biggest private trade and industry group in Turkey.

The banks in the syndicate of 21 include Citibank, Bank of America, Bank Sadarat Iran, Security Pacific National Bank, Manufacturers Hanover Trust and Crocker Bank.

Germany, whose farmers face income losses should the Deutsche Mark appreciate further, insists that they should be paid compensation for these losses.

Although they have until now insisted that this should come out of the EEC budget, there are signs that they may be prepared to pay national subsidies, provided the phasing out was restricted to one or two percentage points a year.

The Ministry of Justice said under arrest—hid in her shoes, were relatively few and of "limited" value to any foreign intelligence service.

Unofficial sources said they dealt with international co-operation in the field of energy, including nuclear power plants.

Since his arrest three months ago the man, whose age police estimated at 26 or 27, has maintained complete silence and the Ministry of Justice admitted police do not know who he is.

But police sources said he is almost certainly East German. Reuter

Turkey secures \$125m bank loan on agricultural export earnings

BY METIN MUNIR IN ANKARA

A GROUP of international banks is to advance a \$125m short-term loan to Turkey which will be secured against the country's earnings from agricultural exports.

The revolving credit agreement for the financing is to be signed soon between a syndicate of banks led by Wells Fargo and T. C. Ziraat Bankasi (Agriculture Bank of Turkey), it was learned yesterday.

Under the agreement, the syndicate would advance Ziraat \$125m on a revolving basis for three years. The loan would be made on the basis of certified exportable stocks of cotton and hazelnuts, two of Turkey's biggest export items.

The revolving credit agreement for the financing is to be signed soon between a syndicate of banks led by Wells Fargo and T. C. Ziraat Bankasi (Agriculture Bank of Turkey), it was learned yesterday.

Under the agreement, the syndicate would advance Ziraat \$125m on a revolving basis for three years. The loan would be made on the basis of certified exportable stocks of cotton and hazelnuts, two of Turkey's biggest export items.

The revolving credit agreement for the financing is to be signed soon between a syndicate of banks led by Wells Fargo and T. C. Ziraat Bankasi (Agriculture Bank of Turkey), it was learned yesterday.

Under the agreement, the syndicate would advance Ziraat \$125m on a revolving basis for three years. The loan would be made on the basis of certified exportable stocks of cotton and hazelnuts, two of Turkey's biggest export items.

The revolving credit agreement for the financing is to be signed soon between a syndicate of banks led by Wells Fargo and T. C. Ziraat Bankasi (Agriculture Bank of Turkey), it was learned yesterday.

Under the agreement, the syndicate would advance Ziraat \$125m on a revolving basis for three years. The loan would be made on the basis of certified exportable stocks of cotton and hazelnuts, two of Turkey's biggest export items.

The revolving credit agreement for the financing is to be signed soon between a syndicate of banks led by Wells Fargo and T. C. Ziraat Bankasi (Agriculture Bank of Turkey), it was learned yesterday.

Under the agreement, the syndicate would advance Ziraat \$125m on a revolving basis for three years. The loan would be made on the basis of certified exportable stocks of cotton and hazelnuts, two of Turkey's biggest export items.

The revolving credit agreement for the financing is to be signed soon between a syndicate of banks led by Wells Fargo and T. C. Ziraat Bankasi (Agriculture Bank of Turkey), it was learned yesterday.



Sig. Arnaldo Forlani

Tense note likely in Gromyko Rome talks

By Rupert Cornwell in Rome

A marked increase in tension both internationally and within domestic Italian politics, had added considerable significance to the official visit here by Mr. Andrei Gromyko the Soviet Foreign Minister which began yesterday.

During his five-day stay Mr. Gromyko is scheduled to have talks with his Italian opposite number Sig. Arnaldo Forlani, and with Sig. Giulio Andreotti the Prime Minister. He will also almost certainly be received in audience at the Vatican by Pope John Paul II.

A number of agreements and conventions between the USSR and Italy are due to be formally signed this week, but the normal tranquility of bilateral relations has been perturbed by the clear-cut Soviet warning to Italy about possible arms sales to China.

The letter containing the admonition, sent by Soviet President Leonid Brezhnev to Sig. Andreotti (in conjunction with others to the British, French and U.S. Governments) has provoked widespread resentment here over what is taken as blatant interference in Italian affairs.

The Prime Minister is likely to emphasise that while Italy wants to do nothing to jeopardise its good relations with Moscow or deterrence in its wider context, it cannot give unilateral undertakings which would circumscribe its international freedom of action.

The visit is also the first by a top Soviet official to Western Europe after the Vietnamese-backed invasion of Cambodia.

Sig. Forlani has very recently returned from a visit to Belgrade where he saw President Tito, and can be expected to seek as clear a picture as possible of current Soviet thinking from his guest.

At the same time Mr. Gromyko's arrival coincides with deep uncertainties over the fate of the current Italian governing formula as the Communists deliberate whether to continue their Parliamentary support for Sig. Andreotti's minority Christian Democrat Government.

They would, nonetheless, prefer to avoid early elections since the current alliance has tended to enhance the party's image and damaged that of the Communists. Like the other parties, including the PCI, they also fear little would be done to solve the country's fundamental economic and social problems and could possibly act as a dangerous stimulus to the current revival of political violence in the country.

The fate of both the minority Government and its supporting coalition now effectively rests with the Communists. In ideal circumstances, they would probably want to drop out of the majority and adopt an "independent" position towards the Government so as to cruise comfortably to the party's 15th national congress in March. Yet they are also apprehensive of the European elections in June which could boost the image of the Socialists, and they face growing turmoil in their party base, especially in view of the Government's proposed incomes policy and austerity measures.

In the face of all this, the cards could fall in two ways. At the end of the consultations starting today between the Christian Democrat secretary-general and the other political leaders, the main parties could decide that the coalition can no longer be salvaged opening the way towards new elections. On the other hand, they could formulate some compromise to ensure both the enforcement of the three-year economic plan, however modified, and the survival of the all-party alliance. But in so doing, they would only be postponing to a later date the inevitable confrontation between Christian Democrats and Communists.

AMERICAN NEWS

Independence moves restrain Caribbean monetary integration

BY DAVID RENWICK IN TRINIDAD

THE RECENT independence of Dominica has set off some hard thinking in Caribbean economic circles about the monetary future of the smaller members of the Caribbean Economic Integration Movement (CARICOM).

The basic issue under review concerns the role of the Eastern Caribbean Currency Authority (ECCA) in an age of separate autonomy for its previously semi-independent members.

For Dominica will soon be joined as an independent state by St. Lucia and St. Vincent, who in turn will eventually be followed by St. Kitts, Nevis and Antigua. Only Montserrat out of all the ECCA's seven-member states is likely to remain a dependent territory in perpetuity.

The question being raised is how a centralised monetary authority can effectively discharge its function of safeguarding the currency and securing over credit creation and money supply when its client-territories will be politically independent and quite likely to have differing interests in terms of monetary policy.

The decision of the states' Premiers to elevate the ECCA to full central bank status is not expected to make the task of tailoring monetary management to the special needs of six fully independent states and one colony (Montserrat) any easier.

Optimists tend to point to the case of Grenada. When it became independent in February, 1974, it refrained at the urging of officials in CARICOM and the Caribbean Development Bank (CDB) from establishing its own central bank, institution and policy, and joined its membership in ECCA.

But some experts have been in two minds about whether that move, as admirable as it may have been in terms of preventing more fragmentation in the region, really allowed Grenada to carry out the right monetary policy for the benefit of its own economic welfare and growth.

Among those benefits listed the sterling windfall for those ECCA territories, such as St. Lucia, St. Vincent, Grenada, Dominica and St. Kitts, which enjoy a banana and sugar export trade with the UK, the maintenance of the value of foreign reserves (now mainly denominated in U.S. dollars) which would be adversely affected by a revaluation of the party and the attraction of the present exchange rate held for U.S. investment in the ECCA member states.

Conflicting responses to turbulent international foreign exchange markets had, been seen before: two years ago the same ECCA members had to decide whether to sever their traditional connection with sterling and align the EC dollar with the U.S.

That decision was accompanied by controversy, as Ministers argued whether or not any net benefit was to be gained from the switch. Mr. Riviere even went as far as to publicly rebuke the Finance Ministers of St. Lucia and Antigua for their alleged attempt to "railroad" his Government into supporting the change.

Such precedents only serve to demonstrate the difficulties which any monetary agency will face in the future in its task of finding common ground among member territories not always noted for their unanimity of views.

methods and demanded to know why ECCA persisted in backing its liabilities with almost 100 per cent external asset cover which has the effect of allowing credit expansion in the territories concerned to be "capped" by fluctuations of foreign exchange holdings.

The difficulties in a central monetary authority having to serve a multiplicity of political masters has also been illustrated in the disagreements that have cropped up among certain member governments over the response the ECCA should have made to the weakness of the U.S. dollar.

Some have been of the view that the Eastern Caribbean dollar, the currency controlled by the ECCA (there are five other currencies in CARICOM: the Trinidad and Tobago, Jamaica, Barbados, Guyana and Belize dollars, all of which have differing values) should be switched back to a link with sterling, which appears to be rallying, and possibly revalued in the process from the present parity of EC\$2.70 = U.S.\$1. Others were not so sure that this was the best course.

Among the latter was Mr. Neelken Bopara, the Antiguan Finance Minister (he has since been replaced by Mr. John St. Louis), who lectured some of his fellow Finance Ministers on the virtues of stability in exchange rate matters when he delivered his Budget address last year.

"Devaluing and revaluing of currencies are matters of serious economic concern based on international trends and the state of particular economies at particular points of time," he insisted. "The present exchange rate may appear burdensome and unworkable" but the medium- and long-term benefits far outweigh the sacrifices of the short term.

Some ministers of the member states have been harsh in their criticisms of the ECCA's methods of operation. But whether an Eastern Caribbean Central Bank will respond any more satisfactorily to their demands in the future is an open question.

Even before independence, Dominica, for example, threatened to give serious thought to setting up its own central banking agency because it was not satisfied with the ECCA's track record.

Mr. Victor Riviere, the island's Finance Minister, has insisted that the Authority, concerning itself more with the economic development of its member territories and try to influence monetary variables in a more positive way.

He specifically had in mind such devices as reserve requirements, quantitative credit restrictions and a selective bank rate policy which could have some effect on domestic credit allocation in the different islands.

In his Budget speech last year, a clearly irritated Mr. Riviere insisted that the ECCA, which has its headquarters in Basseterre, St. Kitts, should "grow up and be serious." He again returned to the attack on the Authority's monetary

Deficits for oil states forecast

LOS ANGELES

Despite billions of dollars from oil wealthy Arab nations could face balance-of-payments deficits, according to a study released yesterday.

The report, "The Economic Potential of the Arab Countries," was prepared by Mr. Arthur Smithies, a Rand consultant and a Harvard University political economist, under a U.S. Defence Department contract.

It projected and compared the economic potential of seven Arab countries: the oil nations Saudi Arabia, Kuwait, Iraq, and Libya, and Egypt, Jordan and Syria.

The report noted that the richest Arab country, Saudi Arabia, faces the most acute problem due to its rapidly rising expectations, and could have balance-of-payment problems by the end of 1980.

AP-DJ

MAPCO IS COAL BUT...

Coal is only a part of the MAPCO picture.

This integrated energy company also produces and markets oil, gas and liquefied natural gas (LNG), and other hydrocarbon products.

For a closer look at MAPCO's diversified growth, write for our current report.

MAPCO

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rate \$250.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing offices.

CHRISTIAN DEMOCRAT-COMMUNIST RELATIONS IN ITALY

Staving off the inevitable confrontation

SIG. BENIGNO ZACCAGNINI, the Secretary General of Italy's ruling Christian Democrat (DC) Party, starts today a crucial round of bilateral meetings with leaders of the other main parties in a final effort to avert the break up of the parliamentary coalition supporting the minority Christian Democrat government.

During the last few days, relations between the main parties, but especially between the two largest, the Christian Democrats and the Communists (PCI), have reached their worst level since the inconclusive general election of 1976 brought the Communists into the Parliamentary majority though not into Government.

For some party leaders, including the Socialist Secretary General Sig. Bettino Craxi, the Parliamentary majority has already collapsed.

In past months, the Communists have broken ranks and voted on two occasions against the minority Government. First they voted against the decision of the Prime Minister, Sig. Giulio Andreotti, to take Italy immediately into the new European Monetary System, and last week they voted against the nominations of the new chairman for IRI, ENI and ENEL, three of the largest Italian state groups.

The Communists have also criticised the Government's three-year economic programme unveiled last week and due to be voted by Parliament at the end of the month. Should the Communists reject the economic plan, which has taken the Government some 10 painful months to draw up, only some astonishing political acrobatics



Sig. Benigno Zaccagnini—back to the talking shop.

Neither Christian Democrats nor Communists believe that their Parliamentary alliance can last—but neither side is ready to jump into an early election. Hence today's attempts to patch up relations for a little longer. Paul Betts reports from Rome.

toral confrontation. While consensus can probably still be reached on the Government's economic plan, the fundamental issue now threatening the current fragile coalition is political. It is the old Italian problem that any alliance between Communists and Christian Democrats is unnatural and untenable in the longer term.

Indeed, according to some Christian Democrats, it is surprising that it has managed to survive so long.

In the past few days, the Communists have openly accused the ruling party of breaching the two-year-old alliance claiming there had been a marked change in the Christian Democrats' policy of collaboration with the Communists. The PCI's position on monetary union and over the State sector nominations had been blatantly ignored. Other parties, including the Socialists, had now joined forces in a concerted campaign of discrimination against them, the Communists claimed.

Against this background, the Communists have threatened to bring down the Government. But their attitude also reflects the growing internal difficulties of the party. After 20 years of almost uninterrupted electoral advances, the PCI suffered a series of significant electoral setbacks last year. Faced in March with what is likely to be one of their most important national

congresses in the party's history, the PCI is trying to revive its image tarnished by the uncomfortable alliances with the Christian Democrats.

Its long cherished policy of the "compromesso storico," or grand alliance of all democratic forces giving the Communists direct participation in government, appears to have failed in view of the firm refusal by the DC to include Communists in the Cabinet. The PCI's ambiguous position towards the Soviet Union has continued to generate tensions not only between the various left-wing parties but also within the party. The PCI clearly faces an unenviable dilemma. It cannot sever its links with Moscow, but it must also preserve its image as the leading spokesman for Euro-communism.

At the same time, the PCI's difficulties have added weight to the DC's right-of-centre and the younger generation of anti-Communist DC deputies, particularly in the north, where they have some power at local level but have yet to make it to the top of the party. The Christian Democrats furthermore, no longer see their party's decline as inevitable and the Communists' electoral advance unstoppable as they perhaps did two years ago.

In the wake of the turnaround, significant if discreet



Sig. Benigno Zaccagnini—back to the talking shop.

changes have been taking place inside the long ruling party fueling the suspicions of the Communists. The balance between the so-called right and left wings of the party has been modified.

Ten months ago, the DC leadership was made up of the late Sig. Aldo Moro, the party president murdered by the Red Brigades, Sig. Zaccagnini and Sig. Giovanni Galloni, the DC deputy secretary-general. They were the promoters of the policy of collaboration with the PCI. But the right-of-centre now dominates with the appointment of Sig. Flaminio Piccoli and Sig. Carlo Donat Cattin as president and deputy secretary-general respectively.

In these circumstances the DC clearly has no intention of making any significant new concessions to the Communists.

They would, nonetheless, prefer to avoid early elections since the current alliance has tended to enhance the party's image and damaged that of the Communists. Like the other parties, including the PCI, they also fear little would be done to solve the country's fundamental economic and social problems and could possibly act as a dangerous stimulus to the current revival of political violence in the country.

The fate of both the minority Government and its supporting coalition now effectively rests with the Communists. In ideal circumstances, they would probably want to drop out of the majority and adopt an "independent" position towards the Government so as to cruise comfortably to the party's 15th national congress in March. Yet they are also apprehensive of the European elections in June which could boost the image of the Socialists, and they face growing turmoil in their party base, especially in view of the Government's proposed incomes policy and austerity measures.

In the face of all this, the cards could fall in two ways. At the end of the consultations starting today between the Christian Democrat secretary-general and the other political leaders, the main parties could decide that the coalition can no longer be salvaged opening the way towards new elections. On the other hand, they could formulate some compromise to ensure both the enforcement of the three-year economic plan, however modified, and the survival of the all-party alliance. But in so doing, they would only be postponing to a later date the inevitable confrontation between Christian Democrats and Communists.



Deficits for oil states forecast

LOS ANGELES

Despite billions of dollars from oil wealthy Arab nations could face balance-of-payments deficits, according to a study released yesterday.

The report, "The Economic Potential of the Arab Countries," was prepared by Mr. Arthur Smithies, a Rand consultant and a Harvard University political economist, under a U.S. Defence Department contract.

AP-DJ

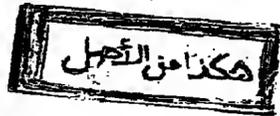
MAPCO IS COAL BUT...

Coal is only a part of the MAPCO picture.

This integrated energy company also produces and markets oil, gas and liquefied natural gas (LNG), and other hydrocarbon products.

For a closer look at MAPCO's diversified growth, write for our current report.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rate \$250.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing offices.



Defence spending plan meets NATO pledge

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT CARTER has sent to Congress a 1979-80 defence budget that meets his commitment to NATO allies, for a 3 per cent real increase in military spending, and sends a signal to Moscow that the U.S. intends to embark on future rounds of strategic arms negotiations from a position of strength.

Spurring the rise applied to many non-defence sectors, the President has proposed that defence spending should rise next year to \$122.7bn. This represents a 3.1 per cent real increase on this year's level.

The year-on-year increase is all the more impressive, now that the Administration is also reportedly seeking to swell the current budget for 1978-79, by an extra \$2.2bn. This supplementary request, made to restore cuts by Congress last summer, is designed to make an early start on the key programme of showing up the U.S. nuclear arsenal in the mid-1980s, with projects such as the new MX missile, and of improving the U.S. capacity to reinforce speedily its forces in Europe in time of crisis.

The overall budget is likely to win general approval from NATO partner countries, which had been waiting to see how defence fared in Washington's new climate of budget austerity, before laying their own future plans.

Britain, however, will be at the very least piqued by the

decision of Mr. Harold Brown, the U.S. Defence Secretary, to cut out all development funds in 1979-80 for a U.S.-built version of the British-designed Harrier jump jet. British industry stands to get up to \$1bn in contract work, if the U.S. version is ever fully produced.

The 1979-80 real increase in programmes directly tied to NATO in defence in Europe—a priority stressed by both President Carter and Mr. Brown—is put at over 5 per cent by Defence Department officials.

The measures include: More pre-positioning in Europe of equipment for use by troops flown in from the U.S. Mr. Brown said by 1984 it would be possible by this means to get five U.S.-based divisions operational in Europe within ten days.

- More anti-tank guns and a one-third increase in artillery pieces in Europe.
- Development of longer range nuclear missiles in Europe.
- \$406m for the NATO Airborne Early Warning System (WAACS).
- The dispatch of more A-10 aircraft to Europe.
- A \$46m increase in Government subsidies for the adaptation of civil airliners for military use in time of war.
- The big weapons increases come in the strategic nuclear force, on which spending is to

rise from \$8.6bn in 1978-79 to \$10.8bn (in current dollars terms). Briefing reporters on his Department's budget, Mr. Brown said these programmes stood on their military merits, and denied that the principal aim was to help a new strategic arms agreement to the conservative wing in the Senate. But the stepped-up satellite programme is clearly designed to reassure the Congressional doubters that SALT agreements with Moscow can be properly verified.

The U.S. Budget

One brand-new item that will stir controversy is the inclusion of some "study" money for a new intermediate range nuclear missile that, if based in Western Europe, could hit Soviet heartland targets. At present, U.S. nuclear missiles there have a range of no more than 450 miles—little counterpart to the Russian SS-20 missile and Backfire bomber, on which the West hopes to focus in any SALT 3 negotiations. Research on a longer-range U.S. missile based in Europe apparently won European endorsement from the British, French and West German leaders at their recent

Guadaloupe summit meeting with Mr. Jimmy Carter.

The Administration proposed for next year the building of an eighth Trident nuclear missile-carrying submarine (\$1.5bn) the start of full-scale production of air-launched Cruise missiles (\$475m), modification of B-52 bombers to carry these Cruise missiles from about 1982 onwards, and full scale development of the MX missile (\$670m).

Cruise and MX missiles are fraught with complications for future arms control bargaining with the Russians. The still incomplete SALT 2 negotiations would limit the deployment of Cruisers by the U.S. for a period, yet to be agreed, up to the early 1980s. But Mr. Brown, a notable enthusiast for the pilotless, low flying nuclear drones, believes thereafter Cruisers should be a major element in the U.S. Nuclear panoply.

Development of the MX missile begs the crucial issue of how it will be deployed. The most probable method—on a mobile system to make it less vulnerable to increasingly accurate Russian missiles—raises almost as many arms control questions as it answers.

Though the slice that defence will take of the 1979-80 budget will rise to 23 per cent, Mr. Brown claimed his budget was not wasteful. Defence spending as a proportion of Gross

National Product was 4.9 per cent, or the lowest level since 1950, he said. Economies had been made. Military base construction had been slowed, and many civilian employees in his Department had been laid off.

Justifying his decision on the Harrier, which British officials regard as tantamount to killing it, Mr. Brown said that "given the expected limitation on funds for naval aircraft, it was felt important to limit the number of types of aircraft." More purchases of the same model lowered the unit costs of each plane.

He conceded that the U.S. version of the Harrier, the AV8B, would have offered some "distinct advantages" to the Marine Corps, which already flies an earlier version of the Harrier bought direct from the U.K. But that did not warrant a development programme spread over several years of nearly \$1bn. He promised, however, that the U.S. would continue research and development funds on advanced vertical take-off aircraft, but gave no indications of where that left the Harrier.

If the new Congress is, as expected, more conservative on defence than the last one, it may add to the budget rather than subtract. The cut in Harrier funds (the Marine Corps originally asked for \$203m in 1979-80) might thus be restored, as happened last year.

New York returns to public debt market

By John Wyles in New York

NEW YORK CITY is expected to return to the public debt market, after nearly four years as an investment leper. This follows substantially successful negotiations with underwriters yesterday.

Merrill Lynch, Pierce Fenner and Smith, the lead underwriters, announced that the \$100m issue of notes had been tentatively priced to yield 8 1/2 per cent. This is a lower rate of return than seemed likely at the end of last week and makes it more advantageous for the city to sell the notes publicly, rather than through private placement at a predetermined rate of 9 1/2 per cent.

Only the commission to be paid to the underwriters remained to be settled at midday yesterday and, assuming that this does not prove to be a major obstacle, the sale is thought likely this week.

The pricing of the notes was agreed by telephone yesterday morning between underwriters in New York and Mr. Harrison Goldin, the City Comptroller, who was in the San Francisco headquarters of Bank of America preparing for a sales talk to institutions later in the day.

The notes, due to mature in June, have been given an acceptable investment grade by Moody's Investor Service, and will be offered in \$10,000 and \$25,000 denominations. Although the sale will make only a marginal contribution to New York's present financial problems and looming budget deficit, it will be an important psychological step towards re-establishing a reputation for acceptable financial management.

Angry Alaskans fight Carter 'land grabbing' legislation

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT CARTER can count on losing one state should he seek a second term in 1980. Feelings against the President are running high in Alaska following his move to add 56m acres of the state, an amount of land over half the size of California, to the national park system.

Mr. Carter's action complemented an earlier move by Mr. Cecil Andrus, his Interior Secretary, banning commercial development of another 56m acres of the U.S.'s biggest state. Alaskans have hit back. Mr. Jay Hammond, the Governor, has filed suit against the Federal Government, and Senator Mike Gravel, the state's senior representative in Washington, has accused Mr. Carter of "overstepping the bounds of the law."

State civil servants reacted by burning the President in effigy, and several thousand Alaskans this month organised the "Great McKinley trespass," deliberately breaking such rules as the leasing of their buskie dogs in the Mount McKinley national park.

Mr. Carter claims that his actions to preserve "our last great frontier" have the backing of the vast majority of Congress and the public.

The Administration argues that it has acted within the letter and spirit of previous laws affecting Alaska. The 1971 Alaska Native Claims Settlement Act, which gave the Eskimos and Aleut Indians 44m acres and \$1bn in compensation for lost rights, also gave the Federal Government the right to choose up to 120m acres for preservation later. In 1958, the new state was given the right to select 104m acres.

In 1977 the environmentally-minded Carter Administration proposed to set aside 102m acres for non-commercial purposes. A Bill passed the House of Representatives in summer 1978, by an overwhelming majority, but never reached the Senate, thanks to the single-handed efforts of Senator Gravel.

He, like the two other members of Alaska's tiny Congressional delegation, bitterly opposed the legislation and exploited the last-minute crush of business at the end of the Congressional session to kill the Bill.

The Administration would

probably have stayed its hand until the next Congress if Alaska had not filed a pre-emptive suit at the end of October, trying both to scotch the Administration's proposals in advance and to revoke some of the existing environmental protection within its borders.

The Administration then sprang into action: Mr. Andrus imposed a temporary ban on commercial development of 110m acres in November and to put a "second lock" on 56m acres of Alaska's most scenic areas, the Administration decided to use the 1906 Antiquities Act to create more national parks and wildlife refuges.

Environmentalists argue that preserving large tracts of America's least spoiled state will not preclude Alaska's economic development, while failure to act now might irretrievably damage the Arctic eco-system.

The preservation of Alaska is held to be in the national interest, as reflected in Congress and public opinion polls. The state's mountain ranges, glaciers and forests attracted 389,000 tourists in 1977, including a growing number of Europeans and Japanese.

The oil companies have not protested because 90 per cent of oil and gas deposits have been deliberately excluded from the preservation areas. The Alaska oil pipeline is unaffected, as is the proposed route for the gas pipeline.



Senator Mike Gravel

Modest rise in aid budget Solar power funds up

BY OUR WASHINGTON CORRESPONDENT

PRESIDENT CARTER has asked Congress for a modest \$1.2bn rise in foreign economic aid, partially offset by a proposed \$61m drop in military aid, in a total aid budget of \$1.5bn for next year.

The size of the request marks the postponement of the President's original goal, when he took office, of doubling the level of official U.S. aid to foreign countries during his first term in the White House.

The bulk of "security assistance"—basically economic aid in support of U.S. foreign

policy goals—will go "to help bring about peace in the Middle East." The amount proposed for next year is unchanged, at \$2bn. The present recipients are Israel and its Arab neighbours—Egypt, Jordan and Syria. There appear to be no special provisions for Egypt and Israel for expenses if they sign, and put into effect a peace treaty.

Bilateral economic aid through the U.S. Agency for International Development will rise by about \$100m. Multilateral aid contributions to such organisations as the World Bank and the various regional development banks will rise by \$165m. But there is a big increase, to \$3.6bn, in the amount of budget authority for contributions the Administration is requesting for the multilateral agencies. Congress last year

cut about \$1bn from the Administration's request, and the new budget seeks to restore that.

Mr. Michael Blumenthal, the Treasury Secretary, stressed that \$1bn of this \$3.6bn request was to fulfil past pledges by the U.S., chiefly to the World Bank. He also pointed out that much of this would never leave the U.S. Treasury, but would be set aside as callable capital funds to back World Bank operations. Nevertheless, Congress may again balk at the size of the request.

Separate from the aid budget proper, the Administration is proposing nearly \$500m in extra financing for the U.S. Export-Import Bank. With this increase next year, designed to promote exports, direct Ex-Im Bank loans are expected to increase to \$1.2bn in 1980.

STEEPLY INCREASED spending on solar power development, and a doubling of funds for nuclear waste disposal offset by cuts in the nuclear fission programme are the major changes in the 1979-80 energy budget that the Carter Administration presented to Congress yesterday.

Overall, new spending on energy next year, under the Administration's proposals, will amount to \$7.9bn—a slight decline on current levels and the first downward movement since the energy crisis caused by the 1973-74 Arab oil embargo.

The actual spending level will be about \$8.6bn—the difference coming from some \$700m left over from this year's budget for the building up of the Government's oil reserve against future possible embargoes.

This stockpiling has been slowed by fires and technical problems, and the administra-

tion has now officially revised its target to a 750m barrel reserve by 1985-86, down from the original goal of 1bn barrels.

Solar energy is the big winner in the new budget: research and development funds are to rise by 40 per cent, and money for its commercial application by 22 per cent. This, plus tax credits for private developers and users of the sun's power, amount to \$800m under the Administration's proposal.

Nuclear fission is a casualty in that total outlays are cut by \$125m to below \$1bn in 1979-80. This stems from President Carter's declared policy of trying to reduce the proliferation dangers of using plutonium.

The Government is not reprocessing spent fuel from commercial nuclear power reactors, and will again attempt to kill, once and for all, the Clinch River breeder.

AP-DJ

Koch plans visit to China

NEW YORK — Mayor Edward Koch plans to visit China and Japan later this year to promote business for the city. He wants to make sure that, as the U.S. begins trade and financial relations with China, the Chinese recognise that New York is the principal city and the financial capital, a spokesman said.

BP NUTRITION'S GOOD FEED GUIDE. COMPILED BY DATA GENERAL COMPUTER.



Britain's Livestock can look forward to being better fed.

The reason: BP Nutrition (UK) Ltd, who originate feed formulations for a large number of the country's compounders, are using a Data General mini-computer to help them compile formulations.

Normally it's no easy task, there are up to 200 possible ingredients that can be used. And ingredient prices and availability can vary daily.

But the Data General Eclipse system enables BP to give 'least cost' mixes to meet nutrient requirements quickly and in detail.

The printout lists individual raw material costs. Opportunity prices of rejected raw materials. Plus a detailed breakdown of nutrient values.

Where requested, rations are rounded off to convenient batch quantities. And tonnages required to manufacture a given ration.

Another advantage: customers can 'lock-into' the system from terminals located in their own offices.

The software for the system was written by Scicon — a member of the BP Group of Companies.

Terry Smith, BP Nutrition's Computer Services Manager says: "The Eclipse system enables us to give more than a 'least cost' solution. We now give a fully informative service with all the information customers could wish for. And faster too! Now we're looking at other ways to use Eclipse flexibility. For example, specialised programs to predict milk yields and diets to optimise pig growth."

Data General has installed more than 55,000 systems world-wide for all sorts of tasks. Systems that provide excellent price/performance as well as superior reliability. And everything's supported world-wide. Send for information. Data General could be your 'least cost' solution too.

To: Marketing Communications, Data General Limited, 3rd and 4th Floors, Hounslow House, 724-734 London Road, Hounslow, Middlesex TW3 1PD. Tel: 01-572 7455.

Please send literature.

Please send literature and have a representative phone me.

Name _____

Position _____

Company _____

Address _____

Tel: _____



OVERSEAS NEWS

Japanese ease emergency restrictions on foreign purchases of yen bonds

BY RICHARD HANSON IN TOKYO

Finance yesterday took one more step towards dismantling the controls on the inflow of foreign capital it imposed on an emergency basis in March last year when yen was appreciating sharply.

From today, non-residents will be allowed to purchase Japanese bonds with maturities remaining of one year and one month or more, a relaxation of the five year and one month cut-off line in force for the past ten months.

This follows a reduction on January 12 in the reserve requirement on new free yen deposits (freely remittable yen deposits held by foreigners) to 50 per cent from 100 per cent.

The easing of restrictions on foreigners appears to reflect a subtle (and unstated) desire on the part of the Government to

keep the yen from weakening further—which would raise import prices affecting consumer inflation—and yet to remain flexible enough to control any sudden surges of speculation the yen will rise further.

It is thought the Government may even welcome some further but gradual rise in the yen, both because of the impact on prices and the trade balance.

The impact of the liberalisation measures on the Tokyo foreign exchange market has been fairly mild so far. Finance Ministry officials say the timing of the relaxation was decided on the basis of the current stability of the yen's exchange rate.

The chief of the short-term capital division at the ministry told the Financial Times that an elimination of the free yen re-

serve and bond purchases controls would be possible if the exchange market continues to stabilise.

Conversely, the Ministry of Finance will not hesitate to reimpose restrictions if large amounts of foreign capital again begin to flow into Japan in anticipation of a stronger yen, he said.

There is some feeling among private bankers that the Government is willing to see a gradual appreciation in the yen this year—by perhaps 5 to 10 per cent from present levels—because of the stabilising effect such a rise will have on the consumer price index.

It is readily conceded in government ministries that the sharp reduction in inflation rates last year to around 4 per cent per annum was due

entirely to the yen's rise. Continued stability in prices (4.9 per cent is the official forecast for the next fiscal year) will help the ruling Liberal Democrats in any future elections.

The easing of restrictions on bond purchases apparently will have no effect on foreign purchases of Government bonds which have picked up in the last few months. Foreigners have shown good interest in the long-term government bonds which had maturities longer than the old cut off point anyway.

Meanwhile, there was a report that consideration on the timing of the issue of yen "Carter" bonds by the U.S. Government is getting underway. The Bank of Japan said there has been no decision in this area, but said the Carter Administration does plan and will issue yen bonds at some point.

A Saudi adviser dropped

By James Buchan in Jeddah

SHEIKH KEMAL ADHAM, a key foreign policy adviser to the Saudi throne during the 1960s and early 1970s, has been retired as adviser to King Khalid under a royal decree published this week.

Adham, 51, a member of a cadet branch of the royal family, enjoyed a close relationship with King Faisal from his early youth—a relationship strengthened by Faisal's marriage to Adham's sister Ifat, who was later named Queen.

But with King Faisal's assassination in 1975, and the increasing prominence of Ifat's sons, Adham's influence waned while his business activities appeared to proliferate.

Prince Saud Al-Faisal is now Foreign Minister, and Prince Turki Al-Faisal took over his uncle's job as head of the Foreign Liaison Bureau when he became head of the General Directorate of Intelligence in 1977. Clearly these two princes would need to convince the Crown Prince of their independence from their uncle—and the ancient ruse—because of their own curious dynastic position as sons of the late King but distant candidates in the succession.

The Liaison Bureau, now a major instrument in the U.S.-Saudi alliance—was formed during the Yemen war in the mid-1960s to co-ordinate support for the Yemen royalists and opposition to Nasser's Egypt.

With the rapprochement with Egypt at the time of the 1967 war with Israel, Adham became chief specialist in conducting relations with Egypt. His withdrawal at the end of 1977 coincided with President Anwar Sadat's visit to Jerusalem, and a suspicion that Adham knew of the move could not have helped his standing with the Crown Prince.

Close associates of Adham note that his experience was called on during the Iranian crisis and there was hope of a return to favour. But the dating of the royal decree, some three weeks ago, indicates this was short-lived.

THE IVORY COAST

Reviving the economic miracle

BY A SPECIAL CORRESPONDENT IN ABIDJAN

THE IVORY Coast has long been one of Africa's most successful economies but analysts here are now predicting that 1979 will almost certainly usher in the country's first period of relatively low economic growth since independence in 1960.

According to a high official in the Ministry of Finance and Economy, the Ivory Coast economy is expected to grow by only 2 or 3 per cent in 1979, with this trend likely to continue into the early 1980s. This modest growth rate still compares reasonably with the many African countries, but it is far below the Ivory Coast's 12 per cent increase in 1978, 8 per cent rises during the past two years, and its exceptional average progression of GNP of over 7 per cent between 1960 and 1974, which led to claims of an Ivorian "miracle."

The Ivory Coast miracle, based on the export of agricultural commodities—predominantly coffee, cocoa and timber, with a smaller push from palm oil, pineapples, bananas and cotton—has taken place with major inputs of capital and expertise from the West, plus cheap unskilled labour from the neighbouring countries of Upper Volta, Mali and Guinea. It has brought Ivorians one of the highest living standards in black Africa, with per capita income currently at about \$1,000.

Ironically, the highly favourable economic conditions which the Ivory Coast enjoyed during 1976-77, when coffee and cocoa prices reached record levels and earned the country nearly \$1,500m a year, have played a key role in precipitating the

Munich massacre planner killed

BY IHSAN HIJAZI IN BEIRUT

THE MAN believed to have planned the 1972 Munich Olympics massacre was killed by a bomb explosion in his car here yesterday.

All Hassan Salameh, aged 36, code-named Alan Hassan, was taken to hospital "in an almost hopeless condition" and died later.

Six people were killed instantly in the explosion which occurred near Salameh's home in west Beirut. The dead included five Palestinian bodyguards, accompanying Salameh in the car, and a passer-by.

Mr. Salameh, who was chief of security of the main Palest-

inian guerrilla group, Al-Fatah, was high on Israel's "most wanted list." The Israelis are convinced that he engineered the attack at Munich in September 1972, when Palestinian guerrillas killed 11 Israeli athletes. As commander of special operations, Salameh was also, in charge of personal security for Mr. Yasser Arafat, the leader of the organisation.

According to Palestinians yesterday Salameh's car was shattered as he drove off from his heavily-guarded private parking space. Guerrillas cordoned off the area as ambulances collected the victims.

A neighbour said by telephone that Salameh's car was turned into a pile of melting metal after the blast which also tore an escorting vehicle to shreds.

David Lennon reports from Tel Aviv: The Middle East mediation team headed by Mr. Alfred Ahterom, U.S. special envoy, adjourned its discussions with Israel yesterday to consult with Washington.

The U.S. and Israeli negotiating teams met in the morning continuing the search for a compromise formula on the issues holding up the signing of an Israel-Egypt peace treaty.

Honda plans £7.6m plant in Nigeria

TOKYO—HONDA MOTOR said it plans to establish a joint venture firm in Nigeria later this year to produce small motor-cycles.

The move follows the Nigerian Government's decision last April to cut imports of finished motor-cycles.

A factory will be built in Lagos at a cost of ¥3bn (about £7.6m) to produce about 100,000 motorcycles a year in the 70 to 185 cc range, it added. Honda did not give further details, but industry sources said a Nigerian partner will probably be Leventis Motors, which assembles about 10,000 Honda motor-cycles a year.

Meanwhile, Honda Motor plans to export 515,000 vehicles this year, up from 498,000 exported last year.

Domestic sales will total 295,000, up from 254,000 last year. It also plans to export 1.6m motorcycles this year, up from 1.55m last year, while domestic sales of motorcycles will rise to a million from 959,000.

EEC debut for S. Korean car

By Kenneth Gooding

SUPPLIES OF Pony cars from the Hyundai company of South Korea were more than 30 dealers have been appointed. Sales will start shortly in Belgium where further 38 dealers are already under contract.

The group expects to move progressively into other parts of Europe this year. But right-hand drive models for the UK market are not likely to be available until the spring of 1980.

Hyundai has also revealed record profits of \$44m for its motor company in 1978. Last year, Pony production was 60,517. With 42,430 going to the domestic market, Hyundai had 62 per cent of Korean car sales. The other 18,317 were exported to Asia, Central and South America, the Middle East, Africa as well as Europe (in preparation for this year's sales push) and Greece.

Production in 1979 should exceed that of 1978 which will improve export availability and release Ponies for Europe.

BL optimistic on Dutch sales

By Charles Batchelor in Amsterdam

THE BRITISH motor group, BL (formerly British Leyland), expects to make up ground lost in 1978 and return to a share of 4.1 per cent of the Dutch car market this year with sales of more than 25,000 vehicles.

After sales of just over 22,600 in 1977 and a market share of 4.1 per cent, BL Nederland saw sales fall about 21,000 last year and a market share of only 3.6 per cent. It forecasts total car sales in Holland this year of 575,000-585,000.

BL has raised the retail price of a number of models to cover higher manufacturing costs. The average weighted price increase is 1.5 per cent. The increases apply to versions of the Alfa, Allegro and Triumph Dolomite.

The decline in sales last year was largely due to a fall in demand for the Mini and Allegro. Both cars maintained or even increased their market share in their respective classes but the trend to dearer, more expensively equipped cars meant sales of smaller cars declined generally.

Full delivery of BL models to Holland was maintained in 1978 and the Dutch company expects to be able to deliver most models from stock in 1979.

Portugal signs Angola accord

By Jimmy Burns in Lisbon

RELATIONS between Portugal and her former African colonies have reached a high point with the signing in the Angolan capital Luanda yesterday of an important trade agreement with Angola.

The agreement was signed at the end of a controversial four-day visit to Luanda by a Portuguese trade delegation led by Sr. Repolho Correia, the Portuguese Minister for Commerce and Tourism.

The visit was almost cut short at the week-end following a strongly-delivered statement from the Angolan Government which accused the Portuguese Press and certain Portuguese politicians of orchestrating a campaign of support for critics of the Angolan President, Dr. Agostinho Neto.

At a last-minute meeting, however, the Portuguese Trade Minister is believed to have assured Dr. Neto that the opinions expressed by the Right-wing media here and political groupings did not reflect on official Government policy.

Soviet oil sales to West may cease 'by mid-1980's'

BY KEVIN DONE

THE USSR is unlikely to be able to continue exporting crude oil to the West by the mid-1980s, according to a report on trade prospects with Eastern Europe prepared by the Royal Dutch/Shell group.

The Soviet Union is the largest oil producer in the world—output in 1977 totalled 11m barrels a day with exports of more than 3m barrels a day but more than half of this surplus goes to the smaller East European countries.

Apart from Russia, the other countries of Eastern Europe produce less than 400,000 barrels a day of oil, but they require a total of nearly 2m barrels a day with consumption increasing by 6 to 8 per cent a year.

With the exception of Romania, the rest of Eastern Europe has become increasingly dependent on imported energy, mainly from the USSR.

The Shell study says that if present trends continue these countries will require almost all the projected Soviet surplus by the mid-1980s, leaving the USSR little (if any) to export to the West. As oil and gas exports account for more than 50 per cent of the hard-currency earnings of the Soviet Union, it will have to reconcile competing claims.

"After the mid-1980s it is doubtful whether Soviet oil production will be able to satisfy fully both its domestic requirements and export demand."

Russia is a small supplier of crude oil to Western countries, but any fall in supplies will be significant in the 1980s as demand for oil in the West approaches the limits of production capacity in the OPEC countries.

In the short term any Soviet loss of foreign earnings in the West could be made up by rising natural gas exports, which are likely to increase substantially over the next decade, says the Shell report.

About 17bn cubic metres of

natural gas were exported to hard-currency areas of Western Europe in 1977—total Soviet production was 350bn cubic metres. The gas exports were in part repayment for imports of fine-pipe, and other equipment.

"Taken as a whole Comecon's energy supply position is fundamentally sound," says the report. It has built up debts to Western financial institutions of more than \$50bn. This deficit is expected to grow to more than \$70bn by 1980, but Shell believes this is not "unduly feared against the known resources of energy and other raw materials available to the Soviet Union and some of its economic partners."

Anthony Robinson adds: "In spite of the difficulties involved in extracting oil from the major oilfields in Siberia Soviet experts are still adamant that production by 1985 will have climbed to around 750m tons from the slightly lower target of 700m tons set last year. At this rate they still expect to have a margin for export to the West for hard currency. Just

how much will depend partly on the amount of oil they are willing to sell Comecon countries over the next five year period.

These targets have not yet been set but the Soviet Union has indicated that it will probably not be much higher than the 350m tons set aside for Comecon over the current five year plan period. All Comecon countries are being encouraged to develop their own indigenous energy resources, save energy and raise their trade with OPEC and other oil producing countries in order to diversify their sources of oil. Where this proves impossible the Soviet Union is willing to sell above quota oil to its Comecon partners—but only at the full international price and for hard currency.

Already energy shortages are forcing cut backs in growth targets in several Comecon countries. In view of the Soviet need for hard currency it may well have to accept lower growth as part of the price for maintaining an exportable surplus to the West.

Offshore team in Mexico

BY OUR ENERGY CORRESPONDENT

A GROUP of more than 30 European companies in the offshore oil industry have begun a five-day visit to Mexico in an attempt to win a greater share of the growing market for offshore oil supplies and equipment.

The business mission, which has the full support of Pemex, the Mexican state oil company, will receive briefings from the Ministries of Industry and Foreign Trade and Pemex on their development plans and future requirements.

The London-based Offshore Centre, which has organised the visit, is looking to joint ventures and technical co-operation as the

best way of gaining a stake in the Mexican market.

The UK companies involved in the mission include British Petroleum, GJB, Burmah, EAB Plessey, Head, Wrightson and West Pumps. They have been joined by Continental interests including Heerema, Comex, Gasunie and Rhine-Schelde Verolme.

Dr. Dickson Mabon, the UK Minister of State for Energy, who has just returned from Mexico, said last week that talks are "taking place" between Mexico and the UK on trade deals in energy and energy-related industries worth many hundreds of millions of pounds.

Japan study on Saudi chemicals

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

A JOINT venture company to conduct market-research on the Mitsubishi group's \$2.3bn Saudi Arabian petrochemical project was officially inaugurated yesterday.

The company has the backing of 54 major Japanese corporations including most leading companies in the Mitsubishi group. Its function will be to carry out a feasibility study of the Saudi project focusing on the question of where and how the output of finished products from the complex could be sold.

The basic plan for the project calls for Saudi Arabia to consume 15 per cent of the total output and for the remaining 85 per cent to be exported.

Mitsubishi first became interested in 1975 in a plan to construct a 310,000 tons ethylene complex at Al Jubayl on the Gulf coast of Saudi Arabia. Doubts about the availability of export markets for the project led Mitsubishi to delay implementation of the plan until last summer when Saudi Arabia strogly requested action on the matter.

This request was repeated to Japan's former Prime Minister, Mr. Takeo Fukuda when he visited the Middle East in the late summer. The Japanese Government is expected to support the Saudi venture if Mitsubishi finally decides to implement the pro-

ject—probably by acquiring a stake in the joint venture company which will be formed to implement the project. The Japanese company will be responsible for half the total investment cost of the petrochemical complex (\$1.26bn), leaving the remaining half for a Saudi-Arabian government-owned agency.

The feasibility study for the project is expected to take no more than 18 months to complete and will cost ¥1.45bn. The joint-venture company formed to carry out the study is named Saudi Petrochemicals Development Corporation and has a paid-up capital of ¥500m.

U.S.-China deals in the pipeline

BY COLINA MacDOUGALL

SUBSTANTIAL NEW Sino-U.S. business is already in the pipeline following the rise in trade contact last autumn, even before vice-premier Deng Xiaoping arrives in Washington next week.

China is seeking U.S. assistance on nine hydro-electric projects and in the development of a high voltage transmission system, according to the latest issue of the China Business Review, published in Washington.

Four of the hydro-electric projects are on the Yangtze River. Their capacities are 30,000 megawatts, 10,000 MW, 8,000 MW and 3,000 MW. A 1,600-MW project is under discussion for Lungen on the Yellow River, and one of 3,000 MW for the Pearl River.

Three others are scheduled for the Brahmaputra and the Mekong. Details of these projects have become available

since they were first discussed during the visit to China last autumn by the U.S. Energy Secretary, Mr. James Schlesinger.

A U.S. coal mining machinery company is negotiating a three-year contract worth several million dollars for the supply of coal mining equipment to China. During Mr. Schlesinger's trip the Chinese indicated they wanted help for two 20m-tonne-a-year open-pit colliers for which U.S. technology is the most suitable.

The U.S. Geological Survey is discussing a survey of recently discovered oilfields in west and south-west China. The Exxon Corporation has been asked to provide detailed assessments of the sites.

The China Petroleum Corporation is also holding talks with Phillips for remote sensing equipment; Mobil for reservoir

permeability studies; Union Oil for oilfields development injection systems; and Texaco for logging and drilling systems.

Chemtec, Unival and Du Pont are discussing a plant for making nylon 66 for tractor tyres. Estimated cost of the plant is U.S.\$450m (£250m) to U.S.\$1,000m and the site is 600 km north of Peking. Japanese manufacturers have also been invited to put in tenders for this plant.

Following the visit last autumn to Peking by the U.S. Secretary of Agriculture, Mr. Robert Bergland, co-operation between China and the U.S. Department of Agriculture is being set up. Besides the forthcoming exchange of research teams to study subjects like crop-reporting, at least six agriculture-related trade associations are to visit China this year.

Australian wins Peking contract for motel chain

BY JOHN HOFFMANN IN PEKING

AN AUSTRALIAN businessman has signed a U.S.\$20.6m (£10.3m) deal to build a chain of motels in China, achieving a world first in China's mushrooming tourism industry.

Mr. I. S. Koh and his company, Great Sincere (Victoria) Pty Ltd, has slipped in ahead of the biggest international hotel companies, a number of which are still negotiating terms with the Chinese Government for the construction of hotels in major cities.

The agreement even includes the supply of Australian-built cars and buses for each motel to be used for sight-seeing, and the provision of Australian construction supervisors. China will provide only the sites and the workforce to erect the knocked-down steel-frame buildings.

Mr. Koh said in Peking yesterday: "Motels are a completely new idea for the Chinese. Other international companies have proposed building 1,000 or 1,500 room hotels in major cities but none had suggested buildings suitable for small tourist centres."

A factor which helped Mr. Koh in his negotiations is the method of financing. It is proposed that the Chinese use an Australian line of credit offered by the Export Finance Insurance Corporation at OECD rates of interest, which are lower than those applied in the bank finance offered by American hotel companies.

Record HK deficit of £963m

By Anthony Rowley, in Hong Kong

THE DEFICIT on Hong Kong's visible trade reached \$803.13m (£963m) last year, a record shortfall and roughly three times the 1977 deficit.

The deficit had been mounting throughout most of the year as imports ran well ahead of exports and re-exports, but the December deficit of \$803.13m was particularly bad and represented a \$850m increase over the November deficit.

However, the growth rate in imports had been cut back to 6.1 per cent last month compared with a growth rate of 14.5 per cent in November, and 13.8 in December, 1977.

Domestic exports last month rose 13.4 per cent to \$842.13m compared with the previous month (November), while re-exports fell by 11.6 per cent to \$842.22m over the same period. Imports were \$846.31m.

Stately homes uneconomic

A NATIONAL survey of medium-sized stately homes in Britain claims that, however much they are open to the public, they are uneconomic propositions.

The survey is by Mr. Harry Teggins, a London architect, assisted by Mr. Richard Vane, a barrister whose family own and live in Rutton-in-the-Forest, near Penrith, a stately home dating from the 14th century.

It says that 960 stately homes are threatened because of tax problems, and Rutton-in-the-Forest is an example.

Mr. Vane said yesterday that a medium-sized house cost an average £26,000 a year to run, but under the tax system the owners needed income and assets of £50,000 a year.

He and the other writers of the survey are recommending to the Government that further exemptions from income tax and VAT are necessary for such houses to be viable.

They say that the only way to preserve stately homes as part of the national heritage—as the Government wishes—is to enable owners to be as free of tax as possible, provided they are open to the public and they agree to waive personal financial gain.

Sign of unit trust revival as sales leap 42% to £530m

BY EAMONN FINGLETON

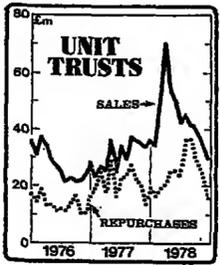
THE unit trust industry's sales to investors rose 42 per cent last year to a record £529.7m, the Unit Trust Association said yesterday.

The latest total is an improvement of £93m on the previous record of £437m achieved in the boom year of 1972.

The industry's delight, however, is tempered by the fact that the latest total is in real terms much lower than the 1972 figure and that 1978 was the year when the association failed to win official backing for an increase in unit trust management charges.

The industry's sales in December at £26.7m were well below the year's average monthly total of £33.4m and compare with £33.4m in December, 1977. Repurchases from investors cashing in their units were also down—from £24m in November to £15.8m in December, the lowest monthly figure last year.

Repurchases totalled a record £294.1m last year, compared to the previous record of £257.9m in 1977. This left the industry with net new investment last year of £235.6m—below the



figures achieved in 1968 and 1972.

Commenting on the figures, Mr. Edgar Palamounain, chairman of the association, said: "The high sales total shows that unit trusts are continuing to gain acceptability with investors. The figures are not marvellous when you take account of inflation but they are certainly a confirmation that the damage done to the credibility of equity investments in 1974 has now been repaired."

The industry has not heard officially the result of its application for an increase in the

annual unit trust management charge from 2 per cent in most cases to 1 1/2 per cent.

The Trade Department turned down the application last summer but then re-opened the question by calling for an investigation by the Price Commission, which completed its report in November. The report, due for publication within the next few weeks, is widely believed to have turned down the application out of hand.

A major stumbling block is believed to have been the industry's decision to phase in higher commissions for insurance brokers and other intermediaries in recent years. The Price Commission is believed to have concluded that if the industry could afford voluntarily to pay more than double the previous commission

rate to many salesmen, no management charge increase was necessary.

Mr. Palamounain refused to confirm that the association's application has been rejected. But he added: "If the industry does not get an increase in management charges it will have to switch over to selling more insurance-linked investments where the only limit on charges is pressure of competition. The annual management charge on a typical unit-linked insurance fund is already around 3 per cent."

"The small investor will be hit because many managements will be driven to increase the minimum investment needed to enter their funds. At present the typical minimum is either £250 or £500 but I can see the norm rising to either £500 or £1,000."

Crown Agents' property novice given 'free hand' with £10m

BY TERRY OGG

MR. PETER SLY, the Crown Agents' first real estate investment manager, learnt the job of property acquisition by investigating property, the tribunal investigating the Crown Agents was told yesterday.

"I was told when the property section was formed that the Crown Agents had a gap in the finance activities in the sense that, although they were involved in investment, they nevertheless had little or no investment in property," said Mr. Sly.

"They authorised the commitment of £10m to invest in property and gave me a more or less free hand to go into whatever areas I thought best, subject only to approval from my immediate superiors."

"I had regular discussions with them and I would not buy anything without discussing it with them. They would say 'yes' or 'no'. I would have to produce cogent reasons for my decisions. But it is fair to say that my superiors realised I knew more about property than they did."

Mr. Ian Glick, counsel for the tribunal, asked Mr. Sly during cross-examination if, in the first few months, he had an unfettered discretion. "That is right, yes," Mr. Sly replied.

"In institutions at the time, there was a feeling that investment managers who were allowed a considerable latitude

in discretion did better than those who were fettered, and this, of course is particularly so in a rising property market. I think Crown Agents followed that fashion."

"But are you seriously suggesting that fashion, if we can so describe it, applied to people who were taking on a job they had never done before, in which they had no training, and which they were going to learn by doing it?" asked Mr. Glick.

"I don't know. I cannot answer, can I? I can only tell you what happened at Crown Agents," said Mr. Sly.

"And that was what happened, at Crown Agents, that you learnt the job of property acquisition by acquiring property?" Mr. Glick asked.

"And in the money market as well," Mr. Sly said. "The same rules applied."

Mr. Sly joined the Crown Agents in 1949, and in the summer of 1968, was appointed an assistant money market dealer. In May, 1969, he was appointed head of the real estate section and remained in this position until he left the Crown Agents in February, 1974. The hearing continues.

Energy Minister for Scandinavia

DR. JOHN CUNNINGHAM, Parliamentary Under-Secretary for Energy, will visit Denmark, Finland and Sweden next Monday for talks on a range of energy topics, concentrating on energy conservation programmes.

One important aim of the visit is to examine the latest district heating schemes in urban areas.

In Denmark, Dr. Cunningham will meet Mr. Arne Christensen, Minister of Commerce, and hold talks with Copenhagen and Odense district heating associations, as well as seeing the Lundtofte low-energy house projects.

In Finland, Dr. Cunningham will meet Mr. Eero Rantala, Minister of Trade and Industry, and officials from the energy section of the ministry. He will also tour Helsinki district heating plant.

In Sweden, the minister will meet Mr. Carl Tham, Minister of Energy and Co-ordination.

Medical grant

THE Science Research Council has granted £12,600 to North Staffordshire Polytechnic to study the use of ceramics in human joint replacement.

More try for university

APPLICATIONS FOR university places for this year are up by 6.9 per cent, the Universities Central Council on Admissions said yesterday.

By December 15, the closing date, they totalled 150,492, compared with last year's total of 140,717.

The Central Council says that allowing for late applications, its best estimate of the probable final number is 168,000, against 157,500 who applied last year.

Britain's women see greatest changes

FINANCIAL TIMES REPORTER

BRITAIN'S biggest social changes are taking place in the economic and social lives of women.

Among statistics in Britain 1978, a 490-page Central Office of Information handbook, out today, mainly for use by the British Information Services overseas, are figures showing that since 1951 the proportion of married women who work has grown from a fifth to half.

Compared with their counterparts elsewhere in the EEC, British women form a high proportion of the workforce—about two-fifths—but on average work shorter hours than men.

Equal-pay legislation has narrowed the gap with men in basic rates, and during the 1970s, women's wages rose proportionately more than men's, the handbook says.

However, women do not work merely for "pin money". Families have come to rely on married women's earnings as an essential part of their income rather than as "pocket money" or as a means of buying extras.

The handbook records that the trend towards early marriage may be ending. Men marry on average at 25 and women at 23, and the average ages for divorce are 36 and 36. At least a fifth of future marriages will end in divorce if

present rates continue, but remarriage among younger divorced people is high and births in remarriage are likely to become a more important component of total births in the future.

In 1977 there were 656,000 births, about one in ten illegitimate.

In the consumer section, it is reported that the British spent less of their wages on food, tobacco and clothing than 10 years ago, but more on housing, fuel and light.

Spending on alcohol has increased substantially and in 1977 Britons spent 114 per cent more on wine than in 1967.

More than half of Britain's households have one or more cars; central heating and a telephone, and 96 per cent have television.

Cheer for the potential foreign visitor lies in the report that smoke in the air has been reduced by four-fifths since the 1950s and London now gets seven-tenths more winter sunshine than it did then.

Britain 1978: An Official Handbook prepared on behalf of the Foreign and Commonwealth Office for the use of the British Information Services Overseas. Also available of HMSO, price £7.00

'Sharp recession possible in second half of year'

BY DAVID FREUD

THERE COULD be a sharp recession in the second half of the year caused by monetary restraint, accelerating inflation and fiscal measures to reduce demand, according to City stockbrokers James Capel.

In its latest circular, the firm says it believes the out-turn for overall earnings growth in this year will be about 11-12 per cent, which would push inflation up to about 10 per cent in the last three months of the year.

A broadly neutral spring Budget is forecast and the firm says there could be upward pressure on the public sector borrowing requirement, which would need corrective action in the second half of the year.

Growth is expected to slow to slightly less than 2 per cent for the year as a whole, due to weakening consumer spending, a lower level of stockbuilding and a fall in manufacturing investment.

"We do not see an export-led upturn in the latter part of the

year, and therefore envisage a progressive slowing of the economy during the course of 1979."

The combination of a reduced growth of domestic demand and increased contribution from North Sea oil should ensure a modest current account surplus of £400m, says Capel.

The firm argues that, if the authorities carry out the threat to take monetary and fiscal measures if wage demands become excessive, this could produce a squeeze leading to a sharp recession.

Dr. Paul Neild, writing in stockbrokers' Phillips and Drew's latest circular, says the Government has left itself no room to manoeuvre in the next Budget, following the reflationary Budget last spring.

The Government is likely to avoid an imprudent give-away although, because about £1.5bn of direct tax relief is needed to offset fiscal drag, a cautious Budget can still be devised which provides some relief for voters.

Welsh £604,000 aid for two research groups

BY ROBIN REEVES, WELSH CORRESPONDENT

THE WELSH Development Agency is to invest £604,000 to strengthen the capital base of two North Wales research companies.

One is a £254,000 shares and loan package in Palmer Research Laboratories, of Mostyn, Clwyd, which is working on a new drug to fight leukaemia.

The other is a £350,000 equity and loan investment to enable Robertson Research Group, of Deganwy, Gwynedd, to establish a company, Research Engineering Services, to manufacture geological instruments.

Mr. Ian Gray, managing director of the development agency, said it was broadening its search for likely investment prospects into the non-manufacturing sector, including leisure, tourism, and other service industries providing more

than a local need.

The Palmer Research investment will help the company to establish pilot-plant facilities for a new drug, which has proved its ability to destroy leukaemia cells in the test tube and in small animals.

Robertson Research has a world-wide network supplying specialist services for oil and mineral exploration.

Prince Charles views industry

THE Prince of Wales is to visit Coventry Climax on February 6 and Lansing Bagnall, Basingstoke, on February 16. The visits are linked with his meeting last year with the Industrial Trucks Sector Working Party.



Should he call on people less and call them up more?

It's generally accepted that 80% of your business comes from 20% of your customers. This makes life hard on the rep. Because, if he's got to trudge around all his customers, he's going to end up with blistered feet.

He can't give the top 20% the attention they deserve. And can't service the rest economically. A recent survey by "Sales Force" shows that he's costing you over £12,000 a year to keep in shoe leather. So it's vital for him to be where it matters most. If he uses the phone to handle the other 80% of his customers, he can keep them happy at a fraction of the cost of a personal visit. That way, he'll have more time for the important customers. It makes sense to make phone calls.



We're here to help you.

UK NEWS

Slackening growth pace shown by indicators

By David Freud
FURTHER SIGNS that the pace of economic growth is now slackening emerged in official indicators published yesterday.

The Central Statistical Office's indicators of turning points in the economic cycle suggest that growth is now proceeding at a slower rate than earlier last year and is likely to slow still further.

This supports figures released last week which showed that consumer spending had fallen slightly between the third and fourth quarters, while industrial output in the September to November period was 13 per cent lower than in the previous three months.

Three sets of indicators, the longer-leading looking forward an average of 12 months, the shorter-leading looking forward about five months and the coincident, continued to fall.

The composite index of the shorter-leading indicators started to fall in October and dropped by a further 1 per cent in November. The main reason was a fall in new car registrations.

The composite index for the longer-leading indicators fell in December, to extend the downward movement of this index to 14 months. This suggests there was a turning point in the series of about October, 1977.

The series has dropped by about 16 per cent since September 1977 and is now at its lowest level since 1974, before the recession started.

Car importers view British market with increased optimism

By KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

IMPORTERS continue to take an optimistic view of their prospects in the UK car and truck markets.

Fiat of Italy, Mercedes-Benz of West Germany and Peugeot of France are the latest companies to issue forecasts for 1979.

Fiat is looking for a 10 per cent increase in sales in the UK this year even though it forecasts that the total market will contract from 1.6m to 1.55m units.

Last year the company sold nearly 74,500 cars in Britain and it expects this to rise to around 80,000 in 1979 and thus to maintain its market share at about 4.5 per cent. The company has lowered its expectations slightly because the right-hand drive version of the successful new Ritmo medium-sized car will not be available in the UK until the middle of the year.

The company continues to attract new dealers and has set a target of 450. So far the total has reached 395.

Mercedes continues to experience bottle necks in car production and the UK company is to receive about the usual annual allocation in 1979 of just under 7,000 cars which will maintain its 0.5 per cent share of the market.

However, the company has been making considerable headway with its commercial vehicles in the UK. Sales in 1978 were 41 per cent above the previous year's level in unit terms at 4,269 even though the group has no medium-sized trucks available in the UK.

Mr. Erich Krampe, managing director of Mercedes-Benz (UK), says that that kind of progress cannot be continued indefinitely but the company should increase its penetration of the UK truck market again in 1979 and sell 5,000 or more vehicles.

The total UK market for commercial vehicles jumped by nearly 14 per cent in 1978 and Mr. Krampe believes this process will continue at least for the first half of 1979 but he is more cautious about the outcome of the second half-year.

He sees 1979 as a year of consolidation for the company in which the dealership network and service back-up will be strengthened. But this will be from very firm foundations as dealers are thought to have invested £2m in their outlets in 1977-78 and the company has, among other steps, established a new warehouse at Hayes, Middlesex, containing £7m worth of parts at retail prices.

Peugeot Automobiles UK managing director Mr. Henri Hassid forecasts that sales of his company's cars and light vans in Britain will this year rise by more than 27 per cent to around 40,000.

Last year the company's sales jumped by 33.5 per cent to 31,345 units—the highest percentage increase among major European and Japanese makes.

As a result the UK overtook Italy and Belgium to become the company's third-largest export market behind only West Germany and Holland.

Impetus The company is now heading for a 3 per cent market share in the UK and the main impetus in 1979 is likely to be provided by the 305. Mr. Hassid said: "We are confident we will sell 10,000 in 1979 compared with 5,000 last year in spite of increased competition in the 305's part of the market from such cars as Chrysler's Horizon, Citroen's Visa, the Renault 13 and the Fiat Ritmo."

Peugeot U.K. turnover, including parts, moved up from £85m in 1977 to £105m last year and should reach £140m this year.

Petition to wind up bank succeeds

THE DEPARTMENT of Trade succeeded yesterday in a High Court petition to have "Frings bankers" Barnett Christie compulsorily wound up. But the department had another application, relating to a "bank" called Kendal and Dent, adjourned for 14 days.

For Kendal and Dent, it was said that the company had prepared accounts which it hoped would satisfy the court that "it was fully solvent." The accounts are, however, believed to be heavily qualified by chartered accountants Stoy Hayward.

The petition to wind up Kendal and Dent was presented on December 15, after a report by two Department of Trade inspectors that it was just and equitable that the company should be wound up. On the same day, the Secretary of State for Trade successfully applied to the court for the appointment of the Official Receiver as provisional liquidator. Kendal and Dent says it will seek to discharge the order, and hopes to have its evidence available within 14 days.

Barnett Christie was wound up for failing to file accounts.

Banking Bill amendments 'disappointing'

By Michael Lafferty

GOVERNMENT amendments to the Banking Bill, allowing finance houses and other licensed deposit-taking institutions to do more restricted use of the description "banking services," were described by the Finance Houses' Association yesterday as disappointing.

It says the amendments, tabled in the Commons yesterday, do not go far enough. Under the Banking Bill, it is likely that finance houses will be designated as "licensed deposit-taking institutions" instead of "recognised banks." As such, they would have been prevented from describing themselves as banks, or as providers of banking services.

The amendments mean that this restriction will be slightly reduced. But the use of the words "banking services" is to be restricted in two ways: first, the words may not be used as part of an institution's name; secondly, they may not appear on placards or nameplates. In effect, this probably means that the expression may appear only on letterheads and other written material.

Spotlighting the cadmium dangers of Shipham

IT IS not often that an academic publication helps to make front-page headlines, but this happened with the announcement from the Department of the Environment that it planned to examine medically 1,200 villagers of Shipham, Somerset, and test the dusts, soils, and so forth of their surroundings.

The publication in question is unlikely to make the best-seller lists; it is the Wolfson Geochemical Atlas of England and Wales, with the finance for the lengthy research programme behind it coming from the Wolfson Foundation.

The book, just published by the Clarendon Press, is the outcome of a research project led by Prof. J. S. Webb of the Department of Geology at Imperial College, South Kensington. It surveys 21 metals, from aluminium and arsenic to vanadium and zinc, in the soil of England and Wales.

Their project aim was to map mineralisation and disclose any relationship between minerals and health hazards. In August the compilers told the Environment Department that their intensive sampling of stream sediments had revealed an anomaly which might be worrisome.

They had found that the village of Shipham, partly built on an old zinc mine workings, had

levels of cadmium in the soil 100, and in some places 1,000, times the national average. The concern is because cadmium is recognised as a toxic metal capable of causing disease and even death if ingested in small quantities. Cadmium is normally associated

With the assistance of farmers and vets they investigated the effect these high lead values might have on cattle grazing on these soils. Though there was evidence that some cattle had not been doing too well, they discovered that very little of the lead

began with a letter from Sedgemoor District Council, delivered by hand on Friday, urging them to stop eating vegetables grown in their gardens and give up smoking, as cadmium is a readily vapourised metal.

It said: "Although there is no evidence that anyone has or will come to harm from eating locally-grown food, as a precautionary measure you are advised to avoid eating produce grown in your garden until the results of the survey are known."

The survey aims to find whether anyone has been harmed by the fact that Shipham has lived for many decades on ground heavily contaminated with cadmium, some houses even built on mine spoil.

First indications are that they have met no more harm than the Derbyshire cattle. No one appears to have had acute cadmium poisoning of the kind caused in Japan. "The reason may be simply that Shipham is far less dependent for its food on the contaminated surroundings. Shipham is only one of several areas of England and Wales found by Imperial College to have high levels of cadmium, most in old zinc and lead-mining districts.

NEWS ANALYSIS

David Fishlock, Science Editor, looks at the case of the 'poisoned village'

with zinc in its ores, although as a metal it is of comparatively recent significance, mostly as a rust-resisting electroplated coating on steel.

Shipham's high cadmium level was not the first geochemical anomaly noticed by these researchers. In the mid-1970s they turned up high levels of lead in the Peak District of Derbyshire, again above old mine workings from Roman times.

The area affected covered 100 sq kms. The soil had as much as 2,000 parts a million of lead.

migrated from soil into grass and hence into the cattle. Local children had a higher body burden of lead, for example, more in their hair, but only slightly, and apparently not enough to affect their health.

A key figure in this work on the lead anomaly was Dr. Ian Thornton, an agricultural scientist with Prof. Webb's group working on the atlas. Yesterday Dr. Thornton was off to Somerset for last night's public meeting when Government officials spoke to the villagers of Shipham on what the weekend panic was all about.

For most villagers it all

City Takeover Panel foresees tighter rules on bids

FINANCIAL TIMES REPORTER

THE CITY TAKEOVER Panel thinks that its rules over agreed bids may have to be tightened.

"It may not always be in the interests of their shareholders that the target board has agreed to a merger, and we wondered whether there ought not to be better machinery for ensuring that shareholders in such a case got further independent advice," Lord Shawcross, chairman of the takeover panel, said.

He was giving evidence—published yesterday—to the Wilson Committee on the workings of the City. The Takeover Panel was closely questioned on its weaknesses that might still exist in regulating bids and mergers under the City code.

It was also asked whether its powers, unsupported by legislation, were effective in creating an orderly bid market. In the main, Lord Shawcross and Mr. David Macdonald, the director-general, were convinced of the panel's powers to deter unfair bids and expose wrongdoers to public censure.

Lord Shawcross, however, repeated his view that statutory deterrents were valuable in cases of insider dealing. But he thought prosecutions would be rare "because those cases are very difficult to establish."

He also echoed the widely-felt concern that such legislation might deter directors from holding shares in their companies, something he believed to be desirable. Apart from the area of agreed takeover bids, where no decision has yet been reached, the panel has not uncovered major weaknesses in the City's control of bids. It does not feel that the establishment of the Council for the Securities Industry, which will undermine, or indeed change in any way, the workings of the panel.

Evidence, that is also published from the European Commission's Directorate of the financial institutions, which aims to harmonise rules among member countries to allow freedom of entry into all the common financial markets. The two Commissioners, who were giving evidence, Mr. Bus Henriksen and Mr. Gerard Lambert, stressed that this did not mean that all local regulations would be rendered obsolete.

Prospectuses Towards the end of this year the directorate expected to set out common rules for listing on European stock exchanges. That would be followed by a directive on the basic requirements for a prospectus.

The aim is to eliminate any obstacles to trading in securities throughout the EEC and enable companies to obtain listings on any exchange.

by a common set of returns to the national authorities so that information disclosed is comparable. Only after that stage, it was stated, "can we start experimenting with ratios used for prudential control."

The Commissioners admitted that it would not be possible to open up a common European market in building financing soon.

Similarly no progress had been made in the field of taxation, particularly corporation tax. A directive was presented in 1975 and "it is still stuck in the European Parliament," Mr. Henriksen said.

In the insurance sector, on the other hand, the second directive on provision of services in the non-life sector can be expected by next year. We would also expect to see the forthcoming directives on insurance contracts on legal defence insurance and on credit insurance coming through."

The Wilson Committee's report on the financing of small companies is expected to be published in mid-February. At about the same time the evidence of the insurance companies, Lloyd's and the Committee on Invisible Exports will also be published. Later in the month it will be the turn of the clearing banks and the building societies, followed by the Bank of England and the Stock Exchange early in March.

Most of the individual bodies concerned have published their written evidence. Interest will focus on the oral evidence before the Committee.

These covered the loss of connecting traffic to other airlines at Heathrow and other aspects of the move, such as the inability of Gatwick's single runway to handle some of Air Canada's long-haul traffic with big, heavy aircraft, like Boeing 747s.

The airline completed presentations to the Department of Trade on January 8, and the matter is now in the hands of the two Governments. No further inter-Governmental talks are yet planned.

The British Airports Authority is to spend over £1.5m on improving the public catering and shopping facilities

Belvoir pit plan inquiry

By David Fishlock

MR. PETER SHORE, Environment Secretary, is expected this week to call in for public inquiry National Coal Board plans for a mine in the Vale of Belvoir.

The inquiry, to start in April, will probably be in two parts, along lines sketched by Mr. Shore in an address last September, with the second part next October.

Its significance for the NCB lies in the fact that it will be the first inquiry into a coal mining project to delve into national energy issues.

Its previous experience has been confined to local issues—for example new open-cast mines and the deep mine at Selby.

But the Vale of Belvoir project intrudes upon rich agricultural land and rights of landowners in a region with no mining tradition. It also arouses the antagonism of those who believe that Britain should learn to manage on a much smaller energy budget.

Granada TV names top journalists

Financial Times Reporter

PETER JENKINS, political columnist of the Guardian, has won the 1978 Journalist of the Year award, which is sponsored by the Granada television programme What the Papers Say.

Presenting the award, Anthony Howard, former editor of the New Statesman, said the panel had unanimously named Mr. Jenkins "for accuracy, for consistency and for some remarkable courage under fire."

Mr. Jenkins had written that there were "advocates of postponement" on an autumn election before the Prime Minister had said he would postpone it. He had also disclosed that the Prime Minister and the Chancellor had decided against joining the European Monetary System—"risking a rebuke from the Prime Minister himself."

Martin Bailey and Bernard Rivers won the award for investigative journalists of the year for their work on the Rhodesian oil-sanctions-busting story.

Anononr Waugh won the columnist of the year award, while Frank Keating, of the Guardian, was named sports writer of the year. The Daily Mirror won the scoop of the year award for a story on Miss Joyce McKinney.

Christie's to offer 1611 Bible and Caxton book

JANUARY IS always a quiet month in the London salerooms but plenty of auctions are already planned for later in the year. On June 13 and 14 Christie's will be auctioning the first part of the Arthur Amory Houghton Jr. collection of items of English literature, with the second part going a year later.

SALEROOM BY ANTONY THORNCROFT

Mr. Houghton, an American and curator of rare books at the Library of Congress for two years, has one of the finest private collections. The first sale will include Caxton's Chronicles of England, printed in 1480; an extremely rare first issue of Edward VI's Book of the 1611 Bible, with the Garter Arms.

The collection is expected to bring in more than £1m, about the same sum Mr. Houghton received for selling a copy of the Gutenberg Bible to the Gutenberg Museum last year.

Other treasures include a presentation copy of Ben Jonson's Works; the Kilmarnock edition of Burns' Poems; and a copy of Blake's Songs of Innocence and Experience, probably hand coloured by Blake himself, and an unequalled collection of Browning manuscripts, including an autograph manuscript of the Sonnets from the Portuguese.

At Christie's, South Kensington, yesterday there were many new dealers and private buyers at a sale of Goss, Fabings, pot lids, and Staffordshire figures. Pot lids were going above estimate, a late lid, New York Exhibition, 1893, making £460.

Goss was also in demand, a late figure of the Trusty Servant selling for £310. In the oriental ceramics auction, which fetched £17,768, large Victorian Stearns did well, a pair of Chinese blue and white vases realising £720.

Sotheby's sold icons for £79,275. A large icon panel of the 18th century made £1,750, and a neo-classical repoussé and chased silver gilt Oklad for an icon of St. Nicholas, produced in Moscow in 1900, £1,900.

GOLD FIELDS GROUP GOLD FIELDS PROPERTY COMPANY LIMITED (Incorporated in the Republic of South Africa) INTERIM REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 1978. The unaudited consolidated results for the six months ended 31 December 1978 are as follows: REVENUE, EXPENDITURE, Profit before taxation, Profit after taxation, Earnings per share—cents.

Delta flies the only daily nonstop between London and Atlanta, Georgia. Delta Flight 11 leaves London's Gatwick Airport every day at 1210, arriving at 1625 in Atlanta, Georgia—the capital of the U.S.A.'s pace-setting Sunbelt region. Delta is ready when you are.

Concorde set for new take-off on expanded network

THE RESUMPTION tomorrow of joint Concorde flights to and from Singapore by British Airways and Singapore Airlines is another major boost for the supersonic airliner.

Together with other developments such as the recent agreement for subsonic flights by British Airways between Washington and Dallas/Fort Worth, the imminent Concorde refinancing deal between British Airways and the UK Government, and the growing interest being shown by other world airlines, it seems that Concorde's fortunes are at last looking up.

Not that the aircraft has done all that badly since it entered regular airline service with British Airways between London and Bahrain, and with Air France between Paris and Rio de Janeiro, in January 1976, with BA and Air France flights to Washington starting in May, 1978, and to New York in November, 1977. Other current Concorde routes include Air France flights to Caracas, and between Washington and Mexico City.

Singapore deal

The overall load factor (the percentage of seats sold) for all Concorde routes is 80 per cent, with over 275,000 passengers carried to date. On the New York route alone, British Airways has reported load factors of up to 95 per cent while for

all-transatlantic operations by both BA and Air France, the overall load factor is 70 per cent. Reliability has been good. In more than 5,600 scheduled flights, involving over 19,100 hours of flying, Concorde has made 92 per cent of its take-offs either on time or within 15 minutes of the scheduled take-off time.

Now, the aircraft is poised for a new take-off. With three flights a week each way between London and Singapore, via Bahrain, British Airways and Singapore Airlines will add over 1,000 hours of utilisation a year to the Concorde fleet. Together with the recently introduced Braniff subsonic Washington-Dallas/Fort Worth operation three times a week in conjunction with British Airways, each of BA's five Concordes will be flying an average of 1,350 hours a year, or just over five hours a day. This is still short of the seven-and-a-half hours per aircraft a day that British Airways has said it needs for profitable operations, but it is better than the airline dared hope to achieve when it began Concorde passenger flights three years ago.

Eventual profitability depends upon expanding the route network further, but there seems little doubt that this will occur within the next year or so. About itself is enthusiastic about Concorde, and is already saying that if its present sub-

sonic venture works as well as it hopes, there could be supersonic Concorde flights by Braniff between New York and Lima and Santiago via Panama City, and non-stop between Los Angeles and Lima, next year. For this Braniff would lease an aircraft of its own from British Airways, in addition to its joint operation agreement with BA and Air

After exhaustive discussions throughout last year, the Malaysians have at last agreed to a resumption of flights, but they have reserved the right to halt them again if they feel the aircraft causes environmental damage. But the UK has revised Concorde's track down the Straits of Malacca, to take it further away from Malaysia

Following the deals between British Airways and Braniff and Singapore Airlines, several other airlines have become interested in Concorde. These include Continental Airlines of the U.S., which has recently been awarded some new Pacific routes, and Pan American, which is now becoming concerned about the impact Con-

improves overall efficiency, and can cut the fuel load on a long-haul flight by as much as 1,000 kilograms. The weight saved on fuel can be used to carry more passengers, or for the same fuel load the aircraft can fly over 200 miles more. This in turn means that cuts in the range or the passenger load originally forced on the aircraft by environmental and climatic problems can be restored. For example, on some very hot days, passenger loads have had to be cut in the past to enable Concorde to get out of Washington en route to London.

Similarly, because of the refusal of the Indian Government to allow Concorde to fly supersonically across its territory, the aircraft has had to go round the southern tip, requiring more fuel to cope with the extra distance, and thus reducing the number of passengers carried. In both cases, the new engine modifications will help to redress these economic penalties.

This new engine air intake has been developed by British Aerospace, with aid from the Department of Industry. It is so far exclusive to British Airways' five Concordes. If Air France wants it, it will have to buy it from the UK. But because of the economic benefits it yields, it is described as a "self-financing" develop-

ment, and Air France is expected to adopt it.

Another factor which seems likely to influence Concorde's fortunes is the imminent signing of an agreement between British Airways and the UK Government, for the refinancing of BA's fleet of five aircraft. Details of this deal are still being worked out, but broadly the intention is for BA's long-term debt of £150m for five aircraft to be restructured, perhaps by increasing the airline's Public Dividend Capital, so as to remove the immediate burden of interest and depreciation.

Depreciation

BA's annual report for 1977-78 suggested that Concorde lost £17m in that year, of which only £2m was on direct operations, the remaining £15m being interest and depreciation charges. If BA can divert itself of the depreciation burden, it seems likely that with the increasing utilisation of the aircraft at higher load factors, there is a good chance of Concorde profits by 1980 and beyond.

This, in turn, is likely to encourage more airlines to seek leasing or inter-change deals with BA. The prospective deal with the UK Government is also expected to require the airline to take over the remaining two unsold Concordes off the UK

assembly line—one of which has flown already but is now grounded at Filton near Bristol, on a "care and maintenance" basis, while the other lies for the first time this spring.

With seven aircraft in its fleet, BA will need to find several other partner airlines with whom to fly the aircraft, and for this reason alone it can be expected to negotiate deals vigorously in the months ahead. Air France, which at present has four Concordes, is expected to come to a similar arrangement with the French Government whereby it will take up the three unsold aircraft off the French assembly line, raising its fleet to seven. This will mean that 14 of the 16 production aircraft will be put into airline service.

There remains the question of any second generation Concorde. This does not appear to be imminent, in spite of recent comments by the French Transport Minister, M. Joël de Théule.

What seems most likely is that, well before then, the UK, French and U.S. aerospace industries will have combined to build a second-generation airliner, probably much bigger than Concorde, seating about 250 passengers, and perhaps flying slightly faster than the present Mach 2.2 (twice the speed of sound, or about 1.2 mph).

Michael Donne examines the changed fortunes of Concorde since it started passenger flights three years ago. Its efficiency and success have been greater than British Airways had ever hoped for, and the growing interest of world airlines is expected to bring more partnerships such as the new Singapore deal and ensure the aircraft's future.

France on the Washington-Dallas/Fort Worth route.

Singapore Airlines is just as keen on the aircraft, but wants to see how well it operates on the resumed London-Bahrain-Singapore route before committing itself to expansion. The Singapore flights began in December, 1977, but were halted after only three flights each way when the Malaysian Government objected to the aircraft flying through its air space down the Straits of Malacca, although it did not pass over the Malaysian mainland itself.

while still passing through the Malaysian Flight Information Region, so that hopefully there will be less reason for that country to claim environmental damage from sonic booms.

From Singapore, the possibilities for route expansion are considerable, including flights to such points as Hong Kong, Manila, and Seoul in South Korea, with Japanese destinations also possible, once that country accepts that Concorde is less damaging environmentally than many Japanese jumbos have claimed hitherto.

Concorde is making on first-class traffic between London and New York was 13 BA flights a week.

One of the factors behind this increasing interest is the improving economic performance of the aircraft. As with all airliners, technical modifications with Concorde have evolved directly as a result of regular in-flight experience. Probably the most significant of these is what is called the "thin-lip air intake"—in effect, an enlargement of the holes through which more air can be gulped by the engines. This

Bid to rescue Triang enters crucial week

BY ROBIN REEVES, WELSH CORRESPONDENT

THE BID by Triang employees to save the ailing company and make it a going concern enters a decisive phase this week.

Senior executives from the Canada-based Pioneer Chain Saw company, which has shown interest in Triang's plight, are due to visit South Wales for talks with the Welsh Development Agency, the Welsh TUC and the Workforce Action Committee.

All but 50 of the original 325 employees at Triang have now been made redundant by the Official Receiver and some of the dismissed workforce has drifted away, in spite of the Action Committee's efforts since December to operate a "work in" — to retain the labour force. But over 200 employees are continuing to attend the Action Committee's weekly meetings.

The WDA has indicated it is prepared to invest new funds in Triang, but only in partnership with a private sector injection of management and capital. Pioneer Chain Saw is widely regarded as the last hope for saving the Merthyr Tydfil-based company.

Efforts

If a rescue fails to materialise, the signs are that the WDA and Wales TUC efforts will concentrate on trying to "salvage" a slimmed down operation employing 50 to 60 workers.

The crisis at Triang was precipitated in December by the Government's refusal to give further financial aid. Since 1975 it has given nearly £2m to the company. But the decision has aroused widespread concern throughout the Merthyr area, which has also been hit by cutbacks and redundancies at Hoover, the town's largest employer. A petition calling on the

Government to reverse its decision and make the necessary money available through the WDA has collected over 10,000 signatures. The Triang Action Committee hopes to hand it to Mr. Callaghan, the Prime Minister, in Cardiff soon.

Order sought over smallpox summons

BIRMINGHAM University was yesterday given permission to seek a High Court order preventing the city's magistrates hearing a summons brought against it after last September's smallpox outbreak.

The summons, due to be heard on Friday, was issued by the Health and Safety Executive after an investigation into the smallpox outbreak in which Mrs. Janet Parker, 40, a medical photographer, died.

In a half-night application to the Queen's Bench Divisional Court in London yesterday, Mr. Brian Egan, QC, for the University, said the basis of the move to the hearing was that there had been a contempt of court which would prejudice the defence.

Lord Widgery, the Lord Chief Justice, sitting with Lord Justice Bridge and Mr. Justice Caulfield, said: "We have read the papers in this case and are satisfied there is an arguable point."

Neither the Health and Safety Executive nor the magistrates were represented in court yesterday, but will have an opportunity of being heard at the full hearing of the University's application for an "order of prohibition" against the magistrates.

Fleetwood fish landing group given reprieve

FINANCIAL TIMES REPORTER

FLEETWOOD FISHING Vessel Owners Association—the Lancashire port's key fish landing company—is to continue its operations until the end of March. The company announced in November that it would have to call in the liquidators, since when there have been three postponements.

The latest decision was taken after talks in Whitehall with the Agriculture Ministry which

has promised £12m worth of dock charge rebates for the fishing ports of Fleetwood Hull and Grimsby. Fleetwood's share is believed to amount to £18,000.

Port leaders welcomed the news and said it would give a breathing space to allow talks to continue on formation of a new fish landing organisation. Without landing facilities the 2,300 redundancies and an unemployment rate of over 20 per cent.

Home loans group richer

THE SUNDERLAND and Shields Building Society is now close to a £100m assets mark, with provisional figures for 1978 showing assets at £94.95m, a 16 per cent increase on 1977.

The society has also topped the 26 per cent national average increase in mortgages advanced in 1978. New mortgages totalled a record £21.95m, more than 30 per cent up on the previous year.

New investments from institutions and the public totalled £32.55m, compared with £27.22m in 1977.

Two McNeill companies sold

THE JOINT Receivers appointed in November to the McNeill Group, Ulster concrete and structural engineers, have sold two of the group's smaller subsidiaries.

B. C. Plant, a Belfast machinery distribution company has bought McNeill Engines and McNeill Engines (Ireland), which market and service Perkins engines in Ulster and the Republic.

New rise soon in house prices

HOUSE PRICES may rise more sharply in spring and early summer, the Royal Institution of Chartered Surveyors says. It expects faster inflation.

A price survey by the institution last month showed that in the last quarter of 1978, inter-war semi-detached houses had seen quite a small rise but many needed modernisation and the increasing cost of that would push up prices this year.



NRDC will go 50:50 with you on the development and marketing of new technology

There's always an element of risk in developing and marketing new technology. And the bigger the risk, the more difficult it is to obtain finance. The National Research Development Corporation is ready to help in such cases. We provide finance for the development and launching of products and processes based on new technology.

NRDC finance is available to companies of all sizes, including subsidiaries, and we'll consider any project which contains a genuine technical innovation. Through our joint venture finance we can contribute half the cash flow required and carry half the risk. The company does not have to pay anything back until the project starts generating sales. And in the event of

technical or commercial failure, we'll take our share of the loss. Joint venture finance is unsecured and off the balance sheet. The funds received from NRDC can be treated as income to the profit and loss account. And NRDC finance is available in addition to DOI grants. For further information and a copy of our brochure,

please contact Brian Mann at the National Research Development Corporation, Kingsgate House, 66-74 Victoria Street, London SW1E 6SL. Or telephone 01-828 3400.

NRDC

Finance for innovation

Food manufacturers use 'ingenuity' to maintain output

BY CHRISTOPHER PARKES

FOOD MANUFACTURERS are using what they term "ingenuity" to keep supplies of raw materials trickling into their factories.

Output is slowing, but fewer workers have been laid off or factories closed than expected a week ago.

The industry said that some raw materials were being moved by night. Others were reaching works at weekends, when pickets were fewer or less attentive.

Although output of edible oils and fats is severely restricted at the bigger plants, at least two of the country's leading consumers are said to be getting supplies through.

"Ingenuity" has enabled most cake and biscuit factories to keep going, for example, although production is thought to be half normal.

Ten days ago the Cake and Biscuit Alliance predicted that most of the industry would be shut by now. However, only a quarter of the work force has been laid off and most factories reported closing last week have reopened.

The relaxations however, are merely easing the food manufacturing industry into a state of limbo, according to Mr. Tim Fortescue, secretary general of

the Food and Drink Industries Council.

Supplies from factories to shops were running seriously low, he said. Continued picketing was leading to big shortages and serious layoffs.

Pickets were beginning to disappear from wholesale fruit and vegetable markets and movements of produce were going smoothly in spite of some local shortages of imported fruit and salads.

The Ministry of Agriculture's daily report betrayed unease at shortages developing in the distribution chains supplying shops, although the run-down of stocks over the weekend had not been so severe as in the recent past.

Picketing of food supplies was easing in some areas but tightening in others. Some retailers had received deliveries of sugar and a few lucks ones had salt in stock.

Sugar, salt, margarine and canned and frozen goods were short, but the severity varied greatly from area to area and even from shop to shop.

Animal feed supplies were still moving in most regions, although the BOCM-Silcock mill at Selby was said to be intensively picketed.

Food supplies again reach supermarkets

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

FOOD SUPPLIES to the big supermarket multiples were increasing yesterday as pickets relaxed their blockade of food depots.

But pickets were still reported at Tesco's northern supply depot at Winsford, Cheshire. They again refused to obey official union instructions to let supplies into the depot, although Tesco's own delivery vans were allowed to leave.

With about half normal supplies now getting through to supermarket depots compared with only a quarter last week, the pressure on supplies

has eased. But supermarket chiefs were making it clear yesterday that supplies were still insufficient to meet demand in the long-term.

In the shops, there were no reports of any extensive panic-buying. Monday is normally a quiet trading day with some stores, such as Sainsbury's, closed for re-stocking after the week-end rush.

Although there appear to be fewer gaps on supermarket shelves, there are still shortages of basic commodities and some tinned foods.

Cash shortage faces Port of London soon

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

THE LORRY drivers' strike is costing the Port of London £1m a day and pushing it rapidly towards a critical cash shortage, the port authority said yesterday.

Mr. John Presland, managing director of the authority, says in today's Port newspaper that the cash crisis will occur "within weeks" if nothing is done to relieve the financial pressure caused by the strike.

Although the authority has been granted £35m in Government aid to finance a rundown of manpower, it is expected to meet other expenses from its own revenue. But the strike has made this impossible.

It is likely that the authority will have to approach the Government to activate its promise last August to back £10m in loans to keep the port open.

There are 2,700 surplus dockers this week, compared

with a normal average of 1,500, including absentees. At Liverpool, the surplus list has reached 1,000—almost double the usual figure.

The general impression from the ports yesterday was that the blockade caused by picketing is getting worse, rather than better.

Lorry drivers were said to be ignoring the Transport and General Workers' Union code on picketing at all the major ports.

However, drivers at Hull have voted to observe the code from today. This should permit food warehouses and shops to be restocked and the port's fish merchants were hopeful that the first crawler for five weeks will be able to land a catch for despatch to inland markets and processing factories.

About 2,000 fish process workers have been laid off because of the fish shortage.

About 1.5m tons of exports worth more than £1bn have now been trapped by the strike, according to the latest estimate of the General Council of British Shipping.

The National Ports Council estimates that only about 5 per cent of exports are getting out of the country, mostly through roll-on/roll-off terminals.

Ports, however, are continuing to squeeze imports into already packed sheds, but Hull's Alexandra dock is expected to be full after today.

Picketing was stepped up yesterday, at Teesport, where only the steel berth, which is served by rail, was said to be working almost normally.

Most other ports have shown little change from the conditions of last week with very little road traffic entering the docks. However, Continental lorry drivers are still being allowed to cross picket lines.

Cowley car plant shutting

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

ALL CAR assembly at BL's biggest car plant, Cowley, was expected to halt this morning at the end of the night shift, affecting 5,000 employees altogether.

The Maxi and Princess lines closed last week, involving 1,600 workers, and the Marina

lines have been stopped by component shortages.

The impact of the Cowley closure should soon be felt at the Pressed Steel Fisher plants, which supply components. Thousands more jobs are likely to be affected soon.

BL said last night: "We are becoming increasingly con-

cerned about the time it will take to get things back to normal after the dispute ends."

The other UK car assembly concerns are still working on a day-to-day basis. But, as Vauxhall said last night: "Production is getting more and more difficult and obviously we are losing vehicles."

Engineering relieved, hopeful

BY MAURICE SAMUELSON

THE ENGINEERING industry began the working week relieved that the predicted heavy layoffs had not occurred.

Several areas were cautiously hopeful, although some still saw the lorry drivers' strike hitting deeper in the next few days.

Some smaller companies in the North have resumed production following receipt of heating oil. Most layoffs reported yesterday were in foundries, unable to get sand or coke, or companies unable to obtain other raw materials.

CH Industrials said it might

lay off more than 300 this week, a third of its workforce, because its paint factory lacks containers.

Other CBI factories at Telford and Coventry were also threatened and the group said it stood to lose more than £80,000 a month in exports.

But most engineers in Coventry are not badly hit, the Federation said.

There were only about 530 engineering layoffs in Yorkshire and Humberside. Casualties include Sagar Richards, of Halifax, which is short of copper, and Charles Holmes of

Hull (shortage of foundry sand).

Ideal Standard, the boiler maker, has laid off 350, and difficulties were reported at Stelrad, part of the Metal Box group, which makes central beating equipment.

In the north where layoffs known to the Engineering Employers' Federation are fewer than 1,000, no new cases were reported yesterday. Some companies are believed to be circumventing the strike with evening deliveries, when pickets have gone home.

Blockade in North tightens as drivers ballot against 15%

BY RHYS DAVID, NORTHERN CORRESPONDENT

THE NEW code on secondary picketing agreed last week by the Transport and General Workers' Union is meeting a mixed reception in the North. Some employers said that blockades at their premises had intensified yesterday.

Drivers' mass meetings in Preston and Warrington rejected the code and voted to continue picketing at companies not involved in the dispute.

A more moderate line appeared to have been taken in Hull, where industry for most of last week has been virtually cut off.

A meeting of drivers addressed by Mr. David Cairns, a local union official, agreed to allow non-haulage company vehicles through picket lines. Owner drivers will also be allowed through if they can prove union permission as will haulage companies that have agreed the full union demand.

Companies in that group will have to apply at union offices for permission.

Drivers in Wigan, agreed to accept the code and 400 more in Manchester also called for a return to work. However, the men, who marched on the union's offices, voted against 15 per cent.

In Manchester and Liverpool there is little sign that enthusiasm for the strike is dying.

ishing, and with picketing still intense, the number of workers laid off has risen further.

The total 30,000 at the weekend, rose yesterday to 35,000 in the north-west, and includes only workers who have registered with the Employment Department for benefits.

Many others have yet to sign on and many companies are finding work for their employees. By this weekend, the North-west's total is expected to reach 50,000.

In Yorkshire, where the strike appears to be similarly going registered layoffs are put at 35,000, including 14,000 in the steel industry in Sheffield, and 13,000 in food and allied industries.

Few shortages in shops are reported, although it is thought that supplies might begin to run low as stocks in warehouses diminish.

Concern is growing over pharmaceutical supplies because of the blockade of chemical companies. Hospitals and chemists in the North-west are being asked to take stock in order to bring to light any potential shortages.

Strikes by bus crews have been adding to the difficulty in the North. Buses have been off the road in Manchester, Leeds, Bradford and Huddersfield in support of pay claims.

North West water men vote to end strike

BY RHYS DAVID

WATER WORKERS in northern Manchester have voted narrowly in a secret ballot to call off their 11-day-old strike.

The stoppage by 600 men over a pay claim led to more than 2,000 homes having their supplies cut off and halted maintenance work throughout the North West Water Authority's Pennine division.

A mass meeting of the men in Royton, near Oldham, yesterday voted 205 in favour and 204 against accepting a revised pay offer of 14 per cent made by the employers nationally last week.

The men had been told by shop stewards that there was little more to be gained from prolonging their action. Many at a stormy meeting protested, however, that a better deal could be gained by staying out.

The water authority has said that it will be some time before supplies return to normal.

Because of the day of action by public service workers yesterday, 70 per cent of water workers in the region were estimated to have been on strike.

British Salt customers helped by concession

BY LISA WOOD

CUSTOMERS of British Salt in Cheshire were enabled to pick up their own salt yesterday when pickets allowed loads of salt to be broken down.

Last week British Salt, which normally supplies between 600 and 800 tonnes of dry bagged salt a day to industry, including food and pharmaceuticals, could only send out 10 20-tonne loads of dry salt a day.

That posed difficulties for customers without facilities for such quantities. About 200 tonnes left yesterday.

Pickets are allowing out more salt for hospital use, as long as the driver is a union member and gives his wages for that

contribution of charity.

At KCL, which agreed with the Transport and General Workers' Union last week at its Cheshire rock salt depot, the United Road Transport Union objected to the arrangements.

Its pickets say that local authorities can still collect salt for roads but only in their own lorries. KCL said that few councils had vehicles suitable for carrying large quantities of road salt.

The Royal Automobile Club said that some local authorities had almost exhausted their stocks.

Leaders ousted at public service unions' rally

BY PAULINE CLARK, LABOUR STAFF

ANGRY DEMONSTRATORS in public service unions shouted down their leaders in Central Hall, Westminster, yesterday and demanded a national strike if they failed to obtain a big pay rise for the low paid.

Hecklers later took over the platform.

About 3,000 demonstrators had gathered in the hall after a protest march from Hyde Park against the police, said that 20,000 people took part. Earlier

estimates put those at the rally at 40,000, with the four unions involved claiming many more.

Leaders of the General and Municipal Workers' Union, the Transport and General Workers' Union, the National Union of Public Employees, and the Confederation of Health Service Employees demanded that public service workers' pay should be restored to the 1974 level of two-thirds of pay in the private sector.

Industrial action increases in South

BY COLLEEN LOONEY

PICKETS in the South of England were igniting the Transport and General Workers' Union code of conduct and in some cases stepping up industrial action yesterday.

The South has escaped mass layoffs and widespread raw material shortages. However, Mr. Jonathan Roberts, director of the Confederation of British Industry's southern region, said that by the end of the week it might be in a similar position to that of other regions.

Secondary picketing has not eased and many manufacturers are failing to receive chemicals and components.

Sussexampton docks are still being picketed. Berkshire Printing, has 300 tonnes of packaging material for the food industry "trapped" there and Mr. Ken Cotton, managing director, has complained to the Prime Minister that pickets are not allowing his drivers through.

More lorries were getting into Tibour docks. Bakers' Union, 35 grain lorries had picked up supplies compared with 36 for the whole of Friday. The normal traffic is 200 vehicles a day.

With only 1.20th of goods able to leave the UK, many manufacturers are becoming increasingly pessimistic about future orders.

The London sale of export certificates, an indicator of daily sales for January, has fallen by a quarter compared to December, the London Chamber of Commerce and Industry said.

Pessimism on the part of exporters to the Middle East is illustrated in a fall in certificate sales this month to 450 a day against 700 in December. EEC export sales certificates have fallen by a fifth.

Avonmouth picketing causes fuel shortage

By Robin Keates, Welsh Correspondent

SHORTAGE OF diesel fuel is still causing concern in the South West. Although adequate supplies are reaching priority areas, stringent picketing at Avonmouth fuel depot has caused many garages in the region to run out of Dery and they are unable to get fresh supplies.

Because of the fuel shortage, more companies in Bristol and the South-west are considering layoffs. Suppliers are unhappy about delivering to the area in case the shortage prevents their vehicles from returning.

Companies in the region are also growing increasingly short of raw materials and other inputs because of picketing elsewhere.

TGWU South West headquarters said that supplies were generally flowing more easily out of Avonmouth than a week ago. The shortage fears arose partly because computer-controlled deliveries to companies were still suffering the backlog of the tanker drivers strike, he said.

In Wales, Mr. Ian Kelsall, the CBI Wales secretary, warned that "desperate" shortages of some materials could produce a "domino effect" right through industry.

Pickets were still on duty at docks, steelworks, some industrial estates and many individual companies. But "over-accounts" vehicles were being allowed through picket lines, he said.

One bright spot on the Welsh industrial scene yesterday was the return to work of 680 employees at the Avana Bakery group in Cardiff and Newport.

How does Helmut Schmidt see prospects for the 1980's?



West Germany's Chancellor Helmut Schmidt will give the key address at the Financial Times Conference on 'Finance and Trade in the 1980's' to be held on February 14 and 15 at the Hotel Frankfurter Hof, in Frankfurt.

As leader of one of Europe's economically most powerful nations—and co-architect of the European Monetary System—Herr Schmidt's views on world trade and finance are important pointers to the future for any forward-looking company.

Other speakers at this important gathering will include M. Francois-Xavier Ortoli, Vice President of the

Commission of the European Communities; the Rt. Hon. Gordon Richardson, Governor of the Bank of England; Dr. Otmarr Emminger, President of the Deutsche Bundesbank; Robert Solomon, Senior Fellow, The Brookings Institution of Washington DC; Dr. Irving Friedman, Senior Vice President, Citibank.

In wide-ranging discussions, the Conference will cover a number of highly significant aspects of finance and trade on a global scale.

For full details of the agenda, together with registration procedures, complete and return the coupon below without delay.

FINANCE AND TRADE IN THE 1980's

To: The Financial Times Limited, Conference Organisation, FINANCE AND TRADE IN THE 1980's, Bracken House, 10 Cannon Street, London EC4P 4BY.

Please send me full details of the conference on 'Finance and Trade in the 1980's.'

Name _____ Company _____

Address _____

A FINANCIAL TIMES CONFERENCE

Construction 'will soon be hit'

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

WARNINGS THAT construction industry output could soon face serious disruption as a result of the hauliers' dispute came yesterday from the contractors.

They were voiced in spite of the existence of an agreement between the building employers and the Transport and General Workers' Union that members associated with the construction industry should not because of a separate agreement, be involved in the present strike.

Reports suggest that most construction transport men have been following the "normal working" instruction issued last week by the union. But the combined effects of secondary picketing, rail disruption and lingering fuel supply problems are causing mounting problems for material suppliers.

Both deliveries of raw materials and of products to customers are being affected with increasing regularity.

The National Federation of Building Trades Employers said last night that although it had received details of work being

held up on specific construction sites, there had not yet been any widespread disruption which had led to significant layoffs. But, the situation was likely to deteriorate rapidly if supplies were held up for another week.

According to the federation, disruption to construction work is patchy, with the worst hit areas reportedly in the north-west, north-east and south-west. Secondary picketing and diesel fuel shortages were still affecting deliveries of vital materials.

Most contractors and materials suppliers are agreed, however, that the full impact of the run-down in supplies has to some extent been temporarily softened by the bad weather and the seasonally low level of activity.

The National Council of Building Material Producers reported that members were making plans for "lay-offs in significant numbers."

One of the worst affected areas involves timber supplies, most of which have been held

up at ports since the strike began. As a result, woodwork and joinery contractors are among the first sectors of the construction industry to be affected.

At Hull, for example, International Timber has been unable to take delivery of imports and neither has it managed to get products out to customers because of picketing activity.

Plasterboard supplies are also threatened with British Gypsum reporting that deliveries were progressively deteriorating.

Blue Circle reported that diesel fuel shortages in some regions, notably the West Country, was threatening deliveries of cement to customers. Some smaller depots had only one or two days' stock of fuel left and then deliveries would cease unless alternative supplies of fuel were moved in.

The company also said that it was experiencing slight problems elsewhere and reported low or non-existent cement stocks at some depots,

particularly near Birmingham and Coventry.

This had been caused by the rail strike, which threatened serious disruption to the movement of bulk cement from its manufacturing plants to depots.

Secondary picketing, which had affected some operations in the North, had now ended.

Pilkington, the glass manufacturer, has one quarter of its St. Helens workforce in Lancashire laid off after yesterday's completed production run-down at its fiberglass insulation factory where 1,350 people are employed.

More than half Pilkington's 22,000 employees are at St. Helens, which has incurred more lay-offs than any other area of glass manufacture. Of Pilkington's total 3,650 UK lay-offs, 3,000 come from St. Helens.

The company's Boat-glass factory is continuing to produce for the time being while its Wrexham fibreglass reinforcement factory has halted its pre-strike production and laid off 300 of its 850 workforce.

Midlands pickets 'abide by code'

BY ARTHUR SMITH

HOPES ARE rising in the Midlands that the lorry drivers picketing of supplies to the region might be easing.

Both the region's Government emergency committee reported yesterday that the unions appeared to be adhering to the agreed code of conduct.

The Confederation of British Industry said that picketing seemed to have eased. Companies held out greater hopes that production might be maintained at least until the end of the week.

The number of workers made idle are expected to remain stable about 30,000 for the next day or so. BL Cars, which increased layoffs at Cowley last night by 5,100, is maintaining employment elsewhere.

A new worry for the metal industries is the shortage of chemicals for treating effluent. Food supplies are becoming generally more difficult, although there are signs in the west of the region that shortages of salt and sugar are easing. Animal foodstuffs are adequate.

The Road Haulage Association said shop stewards were increasingly agitating for a return to work.



Three St. John Ambulance volunteers hurry a woman patient in labour into Dudley Hospital, Birmingham.

Ambulance services worst hit by one-day strike

BY PAUL TAYLOR

THE ONE-DAY protest strike against Government pay policy by more than 1.5m public services workers appears to have caused widespread though patchy disruption to most local authority and health services yesterday.

Education, health and water authorities reported a "patchy" picture with some services and areas hit worse than others.

The most serious effect of the strike was on ambulance services, particularly in London and parts of the West Midlands where some drivers refused to answer emergency calls. But the full consequences of the ambulance strike appear to have been avoided because of the emergency cover provided by the police, army and voluntary organisations.

The Department of Health and Social Security said Army ambulances had been called in to assist in London and South Wales and overall emergency cover appeared to be coping with a lower number of 999 calls.

In London, Mr. David Ennals, Health Secretary, called in the Army after ambulancemen went back on a commitment to provide emergency cover. Mr. Ennals said he was "bitterly disappointed" by the ambulance drivers' decision.

Police in London and elsewhere used their own vehicles as make-shift ambulances to deal with emergencies. They also called upon the assistance of the Red Cross and St. John Ambulance Brigade.

The Department of Health said it was difficult to assess the full impact of the strike, but the emergency provisions appeared to have been able to cope.

Hospitals throughout Britain were hit by the dispute when cleaners, cooks, porters and theatre orderlies joined the strike. The Department of Health said catering and laundry services were particularly badly hit although overall, hospitals escaped the worst effects.

Education services were badly affected. School caretakers and catering staff, members of the National Union of Public Employees, were joined on picket lines by school bus drivers belonging to the Transport Union.

Services such as refuse collection, grave digging and road maintenance were halted as council manual workers joined the strike.

British Airways cancelled its shuttle flights to Belfast airport after council employees withdrew emergency cover and some of the other 23 airports throughout Britain run by councils were also closed. Manchester and Birmingham airports were the most seriously affected.



Public services workers march through London.

Effect on Scottish industry eases

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE EFFECTS of the haulage dispute on Scottish industry eased slightly yesterday. Picketing was relaxed and companies with their own transport fleets were able to move goods, in some cases for the first time in more than two weeks.

The Confederation of British Industry ascribed the improvement to wider acceptance of the revised code of conduct for pickets by local strike committees; but Mr. Kenneth Smith, assistant director, said that the effect had not been dramatic.

He added that secondary picketing was still being carried out in some areas, and that was causing difficulties. Alginiate Industries, of Girvan, Strathclyde, was one company unable to get essential chemicals over the weekend. Yesterday it laid off 300 workers.

On the other hand, some companies were able to recall workers sent home last week.

About 2,500 striking drivers from the West of Scotland, the main industrial area of the country, had met on Sunday to have the code explained to them by full-time officials, and the transport union said yesterday that it felt it had control of the action.

The Scottish Office said its sampling indicated that in manufacturing industries 30,000 people, about the same number as at the end of last week, were affected.

A slight easing of picketing at ports allowed food supplies to be maintained at an adequate level, although Mr. Harry Ewing, the Scottish Office minister responsible for the emergency services, said there was some evidence of retail profiteering.

Atmosphere improves at Belfast talks

BY OUR BELFAST CORRESPONDENT

THE ROAD haulage industry's joint negotiating council in Ulster met in Belfast yesterday to continue the search for a settlement.

Little information has emerged from the contacts which the two sides have had over the last week; although the Northern Ireland Labour relations Agency, which initiated the talks, appears optimistic that progress will be made.

Exploratory talks between Transport Union officials and the Road Transport Association have led to the resumption of further negotiations. These are taking place in an improved atmosphere because of the Government's decision not to use its powers to limit road haulage charges.

Industry's position has not worsened significantly. The movement of essential items was again easier after the 48-hour intensification of picketing at the weekend.

The Ulster Farmers Union said that no livestock had had to be slaughtered.

Some Ulster rail travellers faced cancellations again yesterday because of unofficial action by signalmen and conductors.

COMPANY NOTICES

CORRECTED NOTICE

ANGLO AMERICAN CORPORATION GROUP TRANSVAAL GOLD MINING COMPANIES

FINAL DIVIDENDS—FINANCIAL YEARS ENDED DECEMBER 31 1978

On January 19, 1979 dividends were declared in South African currency, payable to registered shareholders in the Republic of South Africa, in respect of the financial years ended December 31 1978, and to persons presenting the relevant documents to the transfer secretaries in Johannesburg on or before February 2 1979. Registered members of the United Kingdom will receive the United Kingdom currency equivalent on February 27 1979 of the dividend value of their shares (less appropriate taxes). Any such members may, however, elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before February 2 1979.

The effective rate of non-resident shareholders' tax for the undermentioned companies is 25 per cent.

The dividends are available subject to conditions which can be inspected at the head and London offices of the companies and also at the offices of the companies' transfer secretaries in Johannesburg and the United Kingdom.

Name of company (each of which is incorporated in the Republic of South Africa)	Dividend No.	Rate of dividend per share
The South African Land and Exploration	75	25 cents
Vaal Reef Exploration and Mining	45	180 cents
Western Deep Levels Limited	34	82.5 cents

EAST DARGAFONTEIN MINES LIMITED

The directors of East Dargafontein Mines Limited have decided not to declare a final dividend for the year ended December 31 1978 in view of the relatively low share price and level of share availability.

THE SOUTH AFRICAN LAND & EXPLORATION COMPANY LIMITED

The directors of The South African Land and Exploration Company Limited have decided to declare a final dividend of 25 cents per share in respect of the financial year ended December 31 1978, amounting to R1 550 000.

Since the declaration in 1978 of Dividend No. 74 of 2.5 cents a share, no distributions have been made because of the possible need to apply savings funds to a new priority towards the financing of a prolonged marketing programme. However, operations for the recovery of gold from waste rock dumps and from low grade reefs have proceeded in the interim. The Company's cash balance is consequently well in excess of requirements for the recovery of gold from waste rock dumps. Accordingly, it is considered that no arrears will be served in relation to the dividend. It is considered that no arrears will be served in relation to the dividend. It is considered that no arrears will be served in relation to the dividend.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

Secretary: per C. R. BULL, Divisional Secretary, 40 Holborn Viaduct, EC1P 1AJ, London, E.C.1.

Office of the United Kingdom Transfer Secretaries: per C. R. BULL, Divisional Secretary, 40 Holborn Viaduct, EC1P 1AJ, London, E.C.1.

Charter House, Park Street, Ashford, Kent TN24 8EQ.

January 19, 1979.

CORRECTED NOTICE

SOUTHVAAL HOLDINGS LIMITED

INCORPORATED IN THE REPUBLIC OF SOUTH AFRICA

DIVIDEND FOR YEAR ENDED DECEMBER 31 1978

On January 19, 1979 dividend No. 5 of 57 cents a share, in respect of the year ended December 31 1978 (1977: 21 cents) was declared in South African currency, payable to registered shareholders in the Republic of South Africa on or before February 2 1979.

The transfer secretaries and registers of members will be closed from February 3 to 16 1979, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about March 9 1979. Registered members of the United Kingdom will receive the United Kingdom currency equivalent on February 27 1979 of the dividend value of their shares (less appropriate taxes). Any such members may, however, elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before February 2 1979.

The effective rate of non-resident shareholders' tax is 15 per cent.

The dividend is available subject to conditions which can be inspected at the head and London offices of the company and also at the offices of the company's transfer secretaries in Johannesburg and the United Kingdom.

The estimated profit for the year ended December 31 1978 is stated hereunder:

	1978	1977
Profit before taxation	R200	R200
Taxation	28 904	3 089
Profit after taxation	17 122	194
Transfer to general reserve	1 500	—
Retained profit brought forward	15 222	5 184
Profit available for appropriation	16 722	5 184
Dividend No. 5 of 57 cents a share	14 820	5 460

by order of the Board
Secretary: per C. R. BULL, Divisional Secretary, 40 Holborn Viaduct, EC1P 1AJ, London, E.C.1.

Head Office: 44 Main Street, Johannesburg 2001, P.O. Box 1257, Marshalltown 2107
Office of the United Kingdom Transfer Secretaries: Charter House, Park Street, P.O. Box 102, Ashford, Kent TN24 8EQ.

January 19, 1979.

Would you hire her if we paid you £20 a week?

If you'd like to expand your business, but can't afford the extra staff, then the Small Firms Employment Subsidy could be just what you need. So far, over 30,000 jobs have been supported by this scheme. Now it has been extended. There's now a fair chance that your business could qualify for a subsidy.

Basically, you could get £20 a week for every extra full-time job you create (£10 for part-time jobs) and get it for up to 26 weeks. This new extended Small Firms Employment Subsidy now applies not only to manufacturers throughout Great Britain but, for the first time, to all kinds of businesses in Development Areas and Inner City Partnership Areas. It could be just the helping hand you need.

Are you eligible? Tick three—find out more!

- A private independent firm.
- Under 200 employees on 9 Nov 78 (manufacturers)/1 Aug 78 (others).
- A manufacturer in Great Britain, or
- A business in a Development Area or Inner City Partnership Area.

If you think you qualify, send in the coupon for a leaflet or phone Jack Bellis on 01-214 6446/6201. You can apply for the Small Firms Employment Subsidy up to 31 March 1980. But the sooner you apply, the better.

Small Firms Employment Subsidy

Please send me details of the Small Firms Employment Subsidy. I am Manufacturing business. Non-manufacturing business.

Name/Company _____
Address _____

Post to: Jack Bellis, Small Firms Employment Subsidy, P.O. Box 702, London SW20 8SZ or telephone him on 01-214 6446/6201.

FT 22/1 Department of Employment DE

Development areas.
Inner City Partnership Areas only.

extended Scheme could now apply to you

Harsh words—and reassurance on food

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE Commons yesterday heard starkly contrasting Government statements from Mr. John Silkin, the Agriculture Minister, and Mr. David Ennals, Social Services Secretary, about the latest strike developments.

Mr. Ennals took the toughest line yet adopted by a Cabinet Minister during the present crisis.

"Warning that there could be more disruption by ambulance men and hospital ancillary workers in the days ahead, he accused them of taking a 'callous attitude' towards the lives and health of their fellow-citizens."

"Enough is enough," he declared bluntly. "Only the innocent will suffer if Health Service workers allow their anger to run out of control."

"The have made their point. There can be no reason now for taking it out on the injured, the sick, the old and others who depend on the National Health Service."

Mr. Silkin, on the other hand, was at pains to take the heat out of the road haulage drivers' dispute.

The Minister, who is a Transport and General Workers' Union-sponsored MP, indicated that the time had still not come for the Government to declare a State of Emergency.

In an unflappable performance, he said it was still too soon to say whether the union was observing the code of practice to allow emergency supplies to get through—an assertion which was greeted with disbelief and derision by the Tories.

According to Mr. Silkin, the TGWU and the United Road Transport Union were trying to get the food moving.

His latest information was that the situation was continuing to improve.

In fact, Mr. Silkin reserved his strongest criticism for food industry leaders who had originally predicted there would be acute shortages by the end of last week.

He accused the not making matters worse by "panic-stricken, timid, alarmist statements."

He advised the House: "A little courage and a little timidity would not be a bad thing."

Labour backbenchers strolled out Sir Hector Laing, chairman of the Food and Drink Industries Council, for particular censure.

Mr. Robin Corbett (Lah. Hemel Hempstead) described Sir Hector as "official adviser" to Mrs. Margaret Thatcher. He claimed that his prediction had probably contributed to the current shortage of some foodstuffs more than anything else.

The Government statements came as thousands of striking public service workers lobbied the Commons in a massive demonstration.

Tory MPs remained highly sceptical of the assurances given by the Ministers.

The Opposition backbenchers claimed that ambulance drivers who did not want to strike, and that a rvy drivers who wanted to cross picket lines were being intimidated.

They also felt that assurances given by Mr. Silkin about essential supplies were far too generalised and, in some instances, inaccurate.

From the Opposition front bench, however, Mr. John Peyton, the Conservative spokesman on agriculture, and Mr. Patrick Cockin, the shadow social services secretary, took a fairly low-key approach.

Mr. Peyton said the code of practice seemed to be honoured in some places but not in others. At Liverpool, the strike com-

mittee had said that "it did not exist at all" as far as they were concerned.

In his statement, Mr. Silkin said that the public had been able to buy adequate supplies of essential food. He added: "At present there are good stocks of food in the country—at the ports, in warehouses and silos and continually being produced on our farms."

This led Mr. John Pardoe, the Liberal economic spokesman, to

observe acidly: "It is a little difficult to shop around at the ports or feed animals at the ports."

Mr. Peter Emery (C. Honiton) asked what the Government was going to do to stop "extortion" at Avonmouth Docks. He alleged that drivers collecting animal feeding stuff had been taken into a hut and humiliated by an interviewing committee.

They had been told they would be allowed through only on the payment of money.

Dealing with the ambulance dispute, Mr. Ennals told the House: "The issue is, in my view, extremely serious. Those concerned must face up to the consequences of their actions."

The Government was already engaged in talks with management and unions aimed at paving the way to a sensible settlement.

"But I must make it clear that the Government cannot and will not abdicate its responsibility and let wages rip. That is the road to disaster. That is the law of the pay jungle."

From the Opposition front bench, Mr. Patrick Jenkin said that the official instructions from NUPE had been to "maximise possible disruption of services."

That was bound to lead to the kind of action we were witnessing.

Mr. Anthony Grant (C. Harrow Central) said that, in his constituency, ambulance men who did not want to strike received a notice from the strike action committee.

This warned them that they would face reprisals and that ambulances which went through the picket lines would be "blacked for evermore."



MR JOHN SILKIN: "There has not been anything which could be called a food shortage."



MR DAVID ENNALS: "Only the innocent will suffer if health service workers allow their anger to run out of control."

Tories force special debate

TORY MPs angry over the Government's handling of the industrial situation, last night forced through a move for the normal business of the Commons to be overturned later in the evening to make way for an emergency debate.

Nine Conservatives had put down their names asking for emergency debates on the industrial unrest.

Mr. George Thomas, the Speaker, granted a request by Mr. William Shelton (Lambeth), for a debate on the wide issues of the increasing deprivation and hardship being caused by the present disputes.

Discussion of the controversial Weights and Measures Bill gave way at 7 pm for the three-hour emergency debate.

Rescuing the past

PROPOSALS to strengthen the law on ancient monuments and to help "rescue archaeology" are contained in the Ancient Monuments and Archaeological Areas Bill, introduced to the House of Lords by Lady Stedman.

The main proposal will provide greater opportunities for archaeological investigation and excavation before development or redevelopment of designated areas.

There is growing concern that buried remains are being destroyed by modern development, without adequate inquiries being made to establish a proper understanding of historical evolution and past social conditions.

Extended service

INDEPENDENT Radio News is to expand its coverage of Parliament when the House resumes after the referendum recess on March 4.

In future, IRN—which provides a news service for independent radio stations—will transmit recorded coverage from Monday to Thursday.

Live broadcasting of Prime Minister's Question Time on Tuesday and Thursday afternoons will be altered to a recorded, edited version later in the day," said Mr. Peter Thornton, IRN editor. "In addition, on Mondays and Wednesdays, we shall be broadcasting recorded questions to other Ministers."

"IRN will continue to transmit live from the House on major occasions."

Hattersley defends road haulage prices decision

BY IVOR OWEN

HAD THE Government taken action to freeze road haulage prices in the light of the most recent Price Commission report, only 10 per cent of the industry would have been affected, Mr. Roy Hattersley, the Prices Secretary told the Commons yesterday.

He denied that the decision not to make a standstill order, made known towards the end of last week, had undermined the position of the road haulage employers and ensured an improved offer for the striking lorry drivers.

Mr. Hattersley was strongly attacked by Tory MPs as they condemned the Government for having doubled prices and cut the purchasing power of the pound to less than half in the past five years.

He reaffirmed the Government's determination to try to rush through legislation strengthening the powers of the Price Commission.

But he admitted that in view of the declared opposition of Conservative and Liberal MPs, the Government faced "something of a battle" before it could get the Bill carried into law.

Explaining the background to the decision not to make a standstill order on road haulage prices, Mr. Hattersley pointed out that the Price Commission report had been prepared and submitted to the Government long before the present lorry drivers' strike. It did not relate to the claim made by the Transport and General Workers' Union.

The effect of any order would have been limited to a small sector of the industry—about 10 per cent—and those companies covered by it would have been able to seek the protection of the profit safeguards provisions which the Government hoped to remove through the new Bill strengthening the powers of the Price Commission.

Mr. Hattersley stressed that the customary consultative processes had been followed before the decision was made—on Thursday of last week—not to make a standstill order.

In normal circumstances, he



Mr. Roy Hattersley, Prices Secretary.

said, this decision would probably have been made known today. The announcement had been brought forward, however, so that the parties to the dispute were aware of the position before starting talks on Sunday under ACAS auspices.

Mr. Roderick MacFarquhar (Lah. Belper) claimed that the decision not to make a standstill order had been interpreted as a "green light" for a larger settlement for the striking lorry drivers.

But Mr. Hattersley insisted: "The Government did not give in at all."

Mr. John Pardoe (Lib. N. Cornwall) the party's spokesman on economic affairs, questioned the Government's will to check inflationary wage increases.

He cited events in the road haulage industry and the pre-

EEC's pint approved

THE Government made a fresh attempt in the Commons yesterday to push ahead with its controversial Weights and Measures Bill, which sets up a European-style system of monitoring the contents of pre-packed food and drink.

The measure had been temporarily withdrawn before Christmas because it was thought the Government feared it would be defeated.

Last night, the Bill again faced opposition from anti-EEC Labour MPs. A group of them urged its rejection because they said it removed enforcement of the legislation from the point of sale and replaced the present system by one not clearly set up in an Act of Parliament.

Among the Bill's provisions, it excludes the "head" in measuring a pint of beer and cider.

The Bill which fulfils Britain's obligation under an EEC directive, also proposes a change from "minimum" to "average" contents of packages.

But last night a decision on the measure's second reading was expected to come very late—for the debate was to be interrupted for three hours while MPs discussed the industrial situation.

Mr. Roy Hattersley, Prices Secretary, said the traditional "brim" type beer and cider glasses would disappear under the Weights and Measures Bill.

The intention is to ensure that the measure of beer or cider is what we always called the "pint," and that the pint referred to as 30 fluid ounces will always contain 20 fluid ounces of liquid.

A recent court in Scotland held that the pint should include the "head" but the Government did not agree with this decision.

New types of glasses could be assimilated into public houses over a reasonable period of time. "We propose to give a reasonable period for the change."

The Bill was approved by a majority of 157 (198:41).

What do wine drinkers look for?



Shippers they can trust.

How can a label help you choose a good wine? It can tell you the type of wine, but not whether it is from the right source. The Appellation and the Vintage, but not the care taken in its fermentation and its maturation. The producer, but not how it is blended and bottled.

The shipper's name alone is your guarantee. Bouchard Aîné assure you of a high standard. Our name has maintained its reputation because we expertly select and carefully ship only the finest wines.

When you see Bouchard Aîné on the label, you know you are getting a very good wine from a shipper you can trust.

Bouchard Aîné
85 Ebury Street, London SW1. Tel: 01-235 3661.

Extortion claim

ALLEGATIONS of possible extortion by pickets in the lorry drivers' strike have been passed to the Crown Office in Scotland, Mr. Bruce Milnan, Scottish Secretary, said yesterday.

Mr. Milnan was replying to a letter from Mr. Edward Taylor, Shadow Scottish Secretary, who reported allegations of cash being demanded by pickets—and paid by suppliers wanting to pass the picket line.

Mr. Milnan in his letter said he would be told the Commons that demands for money made in connection with allowing vehicles through picket lines might amount to extortion.

He had also pointed out that complaints should be reported at once to the Procurator Fiscal or to the police.

Mr. Milnan added: "The Lord Advocate has advised regional Procurators Fiscal of the need for immediate investigation of any specific allegation or complaint in their areas."

"The information in your letter has accordingly been passed to the Crown Office and I suggest that if you have not already done so, you should make known any further information you have either to the Crown Office or to the police."

Talks with Provisionals denied

BY STEWART DALBY

THE Northern Ireland Office yesterday denied Dublin reports that they were planning contacts with Provisional Sinn Fein, the political wing of the IRA, about ending the H-block prison protest in Maze prison.

Mr. Roy Mason, Secretary of State for Northern Ireland, said in a radio interview in Dublin on Sunday that the prisoners would not be granted political status. They have been refusing to wear normal prison clothes, wash, or clean their cells.

Mr. Mason has in the past said he would never deal with Sinn Fein and it has been his policy for IRA prisoners to be treated as common criminals. Newspapers in Dublin reported, however, that talks had started near Belfast.

There are about 360 prisoners in H-blocks—so called because of their design—who have been waging protests for over a year. Their position was highlighted by a visit last week by three British MPs including the Liberal Mr. Clement Freud, who said they were disgusted and revolted by the conditions they found in the H-blocks.

The prisoners have all been convicted of terrorist crimes and virtually all of them are suspected Provos.

Even if British officials will not talk to Sinn Fein, talks about a political solution to the province's problems are likely to dominate a meeting on Wednesday between Mr. Michael O'Kennedy, the Irish Foreign Minister, and Mr. Mason.

Mr. Mason has recently reintroduced his five-point plan for a 38-member non-legislative Assembly for Ulster. This would consider legislation put forward by a number of select committees elected on a proportional basis. Mr. Mason has talked to both moderate Catholic leaders and Protestant Unionists.

However, progress has been hampered by the official Unionists' reluctance to talk at present about a new assembly in Northern Ireland. This is because of the Bill now virtually passed by Westminster promising five more seats for the province. The official Unionists, who now hold eight of the 12 Ulster seats, feel they have a very good chance of gaining all the new ones. They have given their support to Mr. Callaghan because of the new seats.

Mr. O'Kennedy two weeks ago called on Britain to launch a new political initiative in Northern Ireland.

The Irish Foreign Minister's speech was the first important pronouncement on Ulster by an Irish Minister since Mr. Jack Lynch, the Prime Minister, gave an interview about a year ago, in contrast

CALEDONIAN HOLDINGS LIMITED
Offer for Sale

The following particulars were erroneously omitted from the heading of the above prospectus, which was published on Monday, January 22nd, 1979.

The application list for the ordinary shares now offered for sale will open at 10 a.m. on Thursday, 25th January 1979 and will close at such later time on that day as Nohle Grossart Limited ('Nohle Grossart') may decide.

Preferential consideration will be given in respect of a maximum of 1,000,000 ordinary shares to applications made by shareholders of Stenhouse Holdings Limited ('Stenhouse Holdings') on the preferential application forms sent to them. A copy of this Offer for Sale, together with the documents specified under 'General Information' below, has been delivered to the Registrar of Companies for registration.

Application has been made to the Council of The Stock Exchange for the whole of the issued share capital of Caledonian Holdings Limited ('Caledonian Holdings') to be admitted to the Official List.

This document contains particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information to the public with regard to Caledonian Holdings.

The directors of Caledonian Holdings collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

CUMBERNAULD EAST KILBRIDE GLENROTHES IRVINE LIVINGSTON

VISIT THE SCOTTISH NEW TOWNS IN LONDON.

Over 1300 companies have already found what they were looking for in Scotland's New Towns.

A plentiful supply of labour, both industrial and clerical.

Excellent industrial relations.

First class communications, both internal and international.

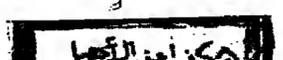
A wide variety of premises and sites.

Financial incentives that are unsurpassed anywhere in Britain.

Find your way to the Scottish New Towns office at 19 Cockspur Street (just round the corner from Trafalgar Square), and we think you'll find what your company's looking for, too.

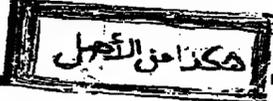
Contact Jack Beckett, our resident Director, for our new colour brochure.

THE SCOTTISH NEW TOWNS
19 Cockspur Street, London SW1Y 5BL. Tel: 01-930 2631.



FINANCIAL TIMES SURVEY

Tuesday January 23 1979



The Printing Industry

Printing has entered another cycle of evolution, with the advent of computer typesetting, laser scanning and other advanced technology. The implications for manning levels are profound, and it is in this area that the industry is likely to encounter most trouble in adapting to change.

PRINTING IS enjoying one of its buoyant trading periods. Order books are full—though demand for high-quality packaging has been slow to pick up after a poor year. Heat transfer printing has suffered a serious decline and wallpaper sales are down in real terms by 42 per cent over the last 10 years.

Capital expenditure budgets are running at a high level, as indeed they must if companies are to remain competitive, and chairman are making cautiously optimistic forecasts for further improvement in 1979.

Their caution is understandable for, besides the vagaries of the economy which industry at large has to cope with, printing itself is at the beginning of a transformation. Of course, there has seldom been a time since Gutenberg that printers have not had some cause for complaint at the speed of change of their industry. New processes, power-driven presses, mechanical typesetting and binding, automatic engraving, filmsetting—each development has meant a radical change and a threat to the livelihood of those who failed to adapt to them.

But it is surely not the lack of historical perspective that leads today's printers to feel that progress is blurring all their benchmarks.

It is not only the master printers and managers who are

involved. The current moves towards further union mergers are compelling each employee to make a decision on the future of the industry. The decision is a difficult one for men who are seeing technology make redundant the skills that have taken them a lifetime to learn.

The unions have been painfully slow in their response to new conditions. SLADE, the process workers' union, 25 years ago was considering "trade and technical developments and the aspects of possible advantages of fusion with other societies," and in 1977 the NGA (National Graphical Association), NATSOPA (National Society of Operative Printers, Graphical and Media Personnel), SLADE and NUWDAT, the wallpaper printers' union, announced formal merger talks which aimed to create a single 150,000-member union. There was, they said, "a sense of urgency" in their deliberations because advanced methods were making some printing crafts obsolete.

Concern

It was announced last week, however, that although the NGA and NUWDAT had voted in favour, the SLADE membership had voted against the merger. An urgent concern now of the NGA and SLADE leaders will be to try to prevent any recurrence of the demarcation

disputes which have bedevilled relations between the two unions.

It is not only among union members, however, that demarcation problems exist. The dividing line between processes used to be reasonably clear—one job was best suited for

quick way of preparing their cylinders. Meanwhile they are investing large sums in presses with variable folders so they can compete for jobbing work instead of being dependent on the diminishing number of long-run periodicals. Every aspect of the business

and small, but the impact of word processing on the printer's typesetting will be even more significant when it occurs.

Already word processing equipment is being interfaced with typesetters and office equipment is improving in quality to match the output of the tradi-

systems which require their involvement and expertise.

The British printing industry has a diminishing workforce but with over 250,000 employees is still the largest in Western Europe. The industry is widely dispersed throughout the country and only a handful of

initiated by printing companies for the benefit of their own production facilities. Other less obvious examples are self-adhesive labels, packaging systems, transfers and photographic libraries.

The part the industry has played in technical developments is another contribution rarely acknowledged.

Representatives of large and medium companies are a vital part of the work of the industry's research council, PIRA; the employers' association, the British Printing Industries Federation, has an active technical committee; and British companies are leading members of the European Rotogravure Association, Euroffset and the international business forms association EFORMA, which themselves initiate, encourage and monitor technical progress.

Examples

In addition to this, though, many companies have been responsible for major technical developments. There is a long list of examples—the development of flexography; the use of rubber plate presses for paperbacks and the adhesive system that has made the British paperback the best in the world; software for photocomposition and the setting systems themselves;

direct litho for printing newspapers; numbering machines and many advances in plates, paper and inks.

There are no real challenges yet to the book, periodical and newspaper, though the industry must be quick to respond to dangers as well as opportunities—an ominously portable innovation is the book-sized portable reader, which uses fibre optics to illumine the screen.

Demand

Printers were slow to react to the competition of in-plant printing and lost work as a result. They may, similarly, lose typesetting business if they cannot provide what the customer requires, while the growth of Viewdata and the "paperless office" will take more business away from the printing industry.

There were encouraging words at the 1978 BPPI conference from the director general of the Italian printing and publishing organisation Mondadori; he assured his audience that the demand for printed products would continue. Then he spelt it all by forecasting that the mail order business would become electronic, requiring nothing more from the printing industry, perhaps, than an order form.

Much to be resolved

By Roy Coxhead, Editor, Printing World

letterpress, others for sheeted offset or, in more recent years, web offset, with gravure taking its unchallenged place as the mass production multi-colour process.

Now letterpress is disappearing except for specialised work, the longer-run sheeted offset jobs are vulnerable to the "mini" or eight-page web offset presses, and the improved quality of web offset has taken it further into gravure territory.

Further adjustments will be necessary when the gravure men find their equivalent of a philosopher's stone, a cheap and

is changing with the impact of electronics technology. In the studios the latest scanning equipment automatically prepares complex layouts with the wave of a light pen, and micro-processors are making their first appearance in press and ink controls. Binding lines too are becoming automated. In each case the developments mean lower manning levels and require less skill from the operator.

It is in photosetting, of course, that the most dramatic changes are occurring. There are systems available for every user, large

tional printer. The full impact of the "collision between office and printer," as forecast by the American authority John Seybold, is still, however, a year or two away.

The quality of phototype-setting output, the eccentricities of its hyphenation programmes and the standard of its type design all have a long way to go before reaching the standard of hot metal. Some companies, interestingly enough, are ignoring the expensive software options available to them and preserving the sanity of their skilled operators by choosing

plants have more than 500 employees.

The industry has an undeserved reputation for being production-oriented rather than market-oriented, providing a service for its customers but having no creative ability of its own.

But many printers, large and small, have created their own market opportunities and their own turnover. Publishing is the most familiar example—books, periodicals, greeting cards, calendars, partworks, games, business and legal forms—all these and more have been



For years we've been making the headlines, without making the news.

You won't find our name on the front page of any newspaper. Nor on any other page for that matter. Yet, if it wasn't for us, you'd have no headlines, nor news, to read. The reason is simple. Our presses print many of the world's leading newspapers and magazines. Our name is Rockwell-Goss. We began many years ago with Goss letterpress rotaries. And, years later, there are literally thousands still in operation. More recently, we've installed highly productive Rockwell-Goss web-offset presses in 3,000

locations around the world. Naturally, many print all hours. It's demanding work, requiring machines of the highest calibre. Which is why so many printers entrust their livelihoods to us. And why every morning you have headlines and news to read. MGD Graphic Systems Limited, Rockwell House, 23 Grafton Street, London W1P 5LG, England. CONFIDENCE BUY ROCKWELL-GOSS



THE PRINTING INDUSTRY II

When you're talking about confidential printing, talk with confidence to Williams Lea

Specialists in the production of annual reports, international and domestic prospectuses, merger documents, promotional material for banking and other financial institutions.

When you're ready to talk, in confidence, contact our Sales Director, Eamon Walsh.

Printed by Williams Lea

Clifton House, Worship Street, London EC2A 2EJ Tel: 01-247 4366

QB

The sign of the specialists in the printing of newspapers and magazines by the web offset process

QB Ltd., Sheepen Place, Colchester, Essex, CO3 3LJ. Tel. Colchester (0206) 77881

Britain's most advanced magazine printing press has made a big impression.

East Midland Litho Printers' contracts include some of Britain's most popular magazines and colour preprint for the most influential national dailies.

What we can do for you. Our new Koenig & Bauer 'Commander' press means faster, better quality printing.

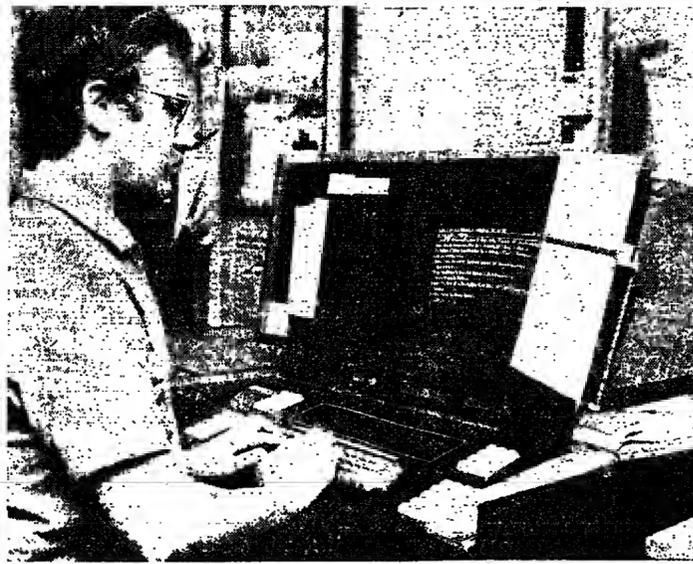
excellent communications to anywhere in Britain and Europe; fast roads, fast railways -and airports and seaports are not far away.

Come and see.

If you want top-quality printing at more cost-effective prices, contact our Sales Director at County House, 14 Hatton Garden, London EC1N 8AT (telephone: 01-837 3699).



East Midland Litho Printers Ltd Oundle Road, Woodston, Peterborough, England, PE29QR. Telephone: 0733 68900.



And what about the workers? What is this screen they are using? The Video Display Terminal is the key to modern typesetting. In fact, the VDT is rapidly becoming the standard tool for viewing and editing data in a wide range of industries and uses.

Computer typesetting is an integral part of the technological revolution in printing. The picture on the left shows an operator at B. Hamblin and Co. (part of British Printing Corporation) at his keyboard with the copy showing on the Visual Display Unit before him.

Unions keep a watchful eye on new technology

EVENTS ON the labour front in Fleet Street and in the general print industry over the past couple of years have shown the difficulties which management face in persuading printers and their unions to accept the introduction of new technology in the face of printers' concern about the human and social consequences of the change.

In Fleet Street the fight has been intense and very much in the public eye. Industrial unrest in the national newspaper industry has been highlighted by the crisis in Times Newspapers, which on November 30 last suspended all its publications including The Times and The Sunday Times because of failure so far to reach agreements on disputes procedures, working conditions and terms for the introduction of new technology.

Newspapers in the provinces have also faced similar problems. Only this month George Outram and Company, publishers of the Glasgow Herald and Evening Times announced that it had been forced by union pressure to abandon the principle of introducing a computerised printing system operated by journalists and advertising staff.

In general print, the battle has been perhaps less dramatic although no less intense, the

same unions being involved as in the newspaper industry. Because the 108,000-strong National Graphical Association (NGA) is the main craft union whose members' jobs are threatened most by new technology, it has been the protagonist in the fight both in Fleet Street and in the general printing industry.

The difficulties facing both sections of the print industry have much in common although it can be said that the unions face certain problems in applying a common policy on new technology to both sections of the print industry.

The history of Fleet Street labour relations was formed in the days when day-to-day cut-throat competition between newspapers greatly increased the bargaining power of the production unions. An edition lost through an industrial dispute was forever lost because of the nature of the industry and it was the members of the print unions who had the industrial muscle. The problems their union leaders faced in controlling their Fleet Street branches are all too apparent now.

The situation in general print is very different. National union leadership has a good deal more control, partly because industrial disruption is a less urgent problem for the company involved—like a manufacturing business it is more able to make up for lost production after the dispute is settled.

Unlike Fleet Street, the general print industry is also

not put at a disadvantage during a dispute because of a casual labour system. A printer on strike in one company cannot just move to another and maintain his income. The distribution of the labour force also makes for more peaceful industrial relations in general print than in Fleet Street.

The total number of employees in the British printing industry is over 250,000 and in the general print sector most companies employ less than 25 people.

Although nearly 70 per cent of full-time employees are with companies employing 100 or more people, these concerns are often split up into small printing plants.

The tendency towards greater loyalty from a small workforce and closer identification with employers' interests have helped to promote a comparatively harmonious tradition of industrial relations in general print. Conditions of work have also played their part.

Elite

Pay has always been comparatively high in printing. This goes back a long way in history when the printer was often among the elite in his community because he had to be able to read and a high price had to be paid for his skill.

The position of the printing, paper and publishing industries in the earnings league last year was sixth out of 25 major industries. Average total gross earnings for manual workers and craftsmen was £42 a week in

1973, since then they have more than doubled to £85.80.

Moreover, conditions of work and safety tend to be better in printing than in many manufacturing industries. Accidents in printing are at present running at under half the average for industry as a whole.

Industrial disruption over pay on any major scale has more over been minimised during phase three of the Government's incomes policy because of the stance taken on incomes policy by the NGA.

Its refusal in 1977 to toe the TUC line on the 12-month rule for pay increases might have been costly for the industry. But because it avoided launching a nationally co-ordinated attack on the industry's national pay agreement—which was not possible because of difficulties with the other print unions—major disruption did not occur.

Mr. Joe Wade, general secretary of the NGA, instead made no secret of the fact that he was organising a pay battle in breach of the 12-month rule at a local level. The tactic was apparently successful even in the face of Government sanctions because of the small size of the companies involved, although any national onslaught might have left the industry vulnerable to sanctions because of the number of companies with Government department printing contracts.

Thus the industry has not had a serious national stoppage since 1959 when there was a six-week strike over pay. This year, however, this

industry has been rocked by a major battle at Times Newspapers over new technology. The union claims it has not set out to block the advance of new technology in Fleet Street. But it has shown a determination to ensure that its members reap as much financial reward as possible from the advance of the new technology into the industry.

Pride in the old crafts has no doubt played its part in fanning feelings of insecurity and mistrust in the industry.

The industry has been afflicted for more than nine months now by a rash of overtime bans and blocking of new machinery because of a prolonged dispute between the NGA and the British Printing Industries Federation (BPIF) over an agreement on extra pay for operating new equipment.

The overtime ban has hit the BPIF's 4,000 members hard. The companies rely on overtime when contracts need to be completed quickly and in many cases regular contracts require a certain amount of overtime at certain times of the week. The only alternative is to employ a larger workforce which would be idle at other times of the week.

But it is the blocking operation which has received most of the attention—not least because of the action of the BPIF in launching a levy of members for a special fund to cushion them against the effects. The fund, with a target figure of £1m, is designed to help meet the costs of depreciation and interest charges on unused new machinery. The BPIF claims that 40 of its members now have machinery lying idle and that it has already paid out on a number of claims.

The argument with the NGA

centres on provision for extra pay to be paid to printers operating new machinery contained in a 1973 agreement. The NGA argues that this has now expired and that the federation has failed to renegotiate a system to take account of the extra skills required by new technology.

The dispute worsened last autumn when the federation insisted that industrial action must be lifted before further negotiations could take place and that any further agreement would be put into effect only when allowed by pay policy—a provision which the union would not accept.

The federation concedes that some machines are not covered by the agreement and with the lifting of the Government sanctions policy and the general pressure on both sides to reach agreement ahead of annual pay negotiations next April, it seems likely that some sort of deal may be reached soon.

The difficulties are of some significance to other industries also anxious to introduce new technology in the face of union concern over the impact on jobs and for workers to share the financial benefits of the change. In the general print industry, the groundwork has already been prepared in its 1973 agreement.

Extra pay is awarded on a points system depending on certain criteria laid out in an agreed formula of machine classification. The three main criteria are based on the area of paper fed into the printing machine, the speed of the machine and the number of printing units it contains. Any new agreement would comprise an extension of this formula.

Pincus Jaspert

Lively debate about marketing methods

HOW APPLICABLE to the printing industry are marketing methods and techniques developed and made familiar in other, more consumer-based industries? This question is the subject of some lively debate in the industry at the moment, with opinions varying from "Printing people are bloody awful at marketing" to the traditional "The best way to sell print is still to show the customer round the factory."

Clearly, techniques used in such mass consumer markets as soap and detergents, with a few dominant companies selling a few basic products under a bewildering variety of brand names, cannot be transferred wholesale to a service industry like printing which has such a bewildering variety of products

and customers, and is so highly fragmented among a large number of companies of every possible size and range.

Nevertheless, one can find the head of a rapidly expanding concern like J. Howitt and Son, of Nottingham, Mr. Pat Howitt, writing recently in the journal of the British Printing Industries Federation, that "My feeling was that what worked for the tobacco, petroleum or tyre industries could also work for the printing industry."

Following this philosophy, the company went into sports sponsorship, with the "John Howitt Trophy" International Air Race meetings in 1972-73 and motor racing with Howitt Racing in 1977-78. Howitt says that promotional costs work out at only 1 per cent of sales—mainly tax deductible at that—and along with Press visits to the plant and other forms of publicity, have been fully justified by results.

Probably not many printers would go that far in adopting consumer marketing techniques. But many feel that the less flamboyant but equally well developed techniques of industrial marketing, as understood in other branches of the engineering industry which are equally as service-orientated as printing, could be applied far more widely than they are.

It partly depends on one's definition of marketing. Printers have always placed a strong emphasis on the selling side of marketing, by which is meant the direct personal approach to the client or potential client, although many would still question the quality of the sales force in many printing companies. Order processors and estimators are not, they argue, necessarily born salesmen. But it is unarguable that advertising and sales promotion, the stuff of marketing proper, have played a small part. Indeed the marketing function in some cases is regarded simply as the

provision of market information to the sales force—a legitimate task, as performed for example by the central headquarters of the British Printing Corporation on behalf of BPC's constituent companies—but once again one that arouses conflicting opinions.

There are those who profess themselves satisfied with the official Government statistics for the sales value of the industry and its main sectors, and those who say that these figures are quite inadequate, being far too broad in category to help a practical marketing effort. The lack of original market research, sponsored by the industry or sections of it, is a marked feature of printing, although the matter is apparently under discussion at the Federation.

Consequences

But what gives the discussion of marketing in the printing industry its particular, perhaps even unique flavour, is the rapid and inescapable technological changes taking place in the industry, which themselves have direct marketing consequences.

In former times a printer would have a letterpress machine—a versatile machine—to do his print, and one or both of only two sorts of hot metal typesetting machine, which between them had to cope with a wide variety of tasks. Moreover, this machinery was likely to be fairly old, and long written down to nothing in the books.

Now he will often have a new offset printing press, faster no doubt but less versatile in the sense of handling a wide variety of products economically; and he will have had to make a choice between a large variety of competing photo-typesetting systems, each

with its own characteristics, strengths and weaknesses. And they will have cost a lot of money.

So not only his pricing policy but also the type of work which he can or cannot undertake will have come under close scrutiny. Almost by definition he will have chosen to specialise in some types of work rather than others; that choice was inherent in his choice of new equipment.

For he has little choice but to re-equip. The thrust of technological development the printer feels comes from outside the industry anyway, principally from the computer industry and from the chemical industry, and so is beyond his control; and his competitors are re-equipping. So he is riding a technological tiger.

Then again, a characteristic of the new generation of equipment is that it tends to level up standards of printing quality. There was a time when the small printer could not compete on quality (as opposed to price or service) with the big one. But now high quality is available, and expected, everywhere. The pressure on the printer is therefore the same—to specialise in certain product lines to avoid excessive competition and price-cutting.

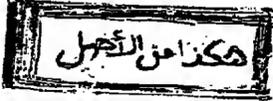
The name of the game, then, is specialisation. But specialisation demands better knowledge of highly specific product and geographical markets (hence the growing need for market research) and much greater knowledge of the customer's own business—plus a marketing effort to create general awareness of that printing company's expertise in its chosen field or fields.

It may mean turning away work as well as getting it—a psychologically difficult thing for some printers accustomed to the old disciplines of keeping

CONTINUED ON NEXT PAGE

Finlay Packaging Ltd. PRINT & PACKAGING IN PAPER AND PLASTIC. CONSETT AND BELFAST SALES OFFICE 38 HIGH STREET, WATFORD, TELEPHONE 0923-48588. TELEX 884134.

EJ Arnold A world-wide service to education. The design, development and manufacture of teaching aids. Stationery manufacture. Printing services. Educational publishing. Furniture manufacture. Educational Booksellers. E J Arnold & Son Ltd, Butterley Street, Leeds LS10 1AX



Hard core of City printers maintain the tradition

CHANGED TECHNOLOGY and, theoretically at least, easier communications have made it possible to use provincial printers in the City for many things done in the City. But the prohibitive cost of premises is the main reason why most printers have been driven from the City's doorstep.

Another factor contributing to the disappearance of the jobbing printer as a City tradesman has been the rise of newer, easier methods of producing copies on copying machines and small offset lithographic presses which can be bought cheaply, installed in small spaces and operated without craft skills. In short, the do-it-yourself kind of printing which, it should be remembered, is not so much printing as making copies of what is already there as an original.

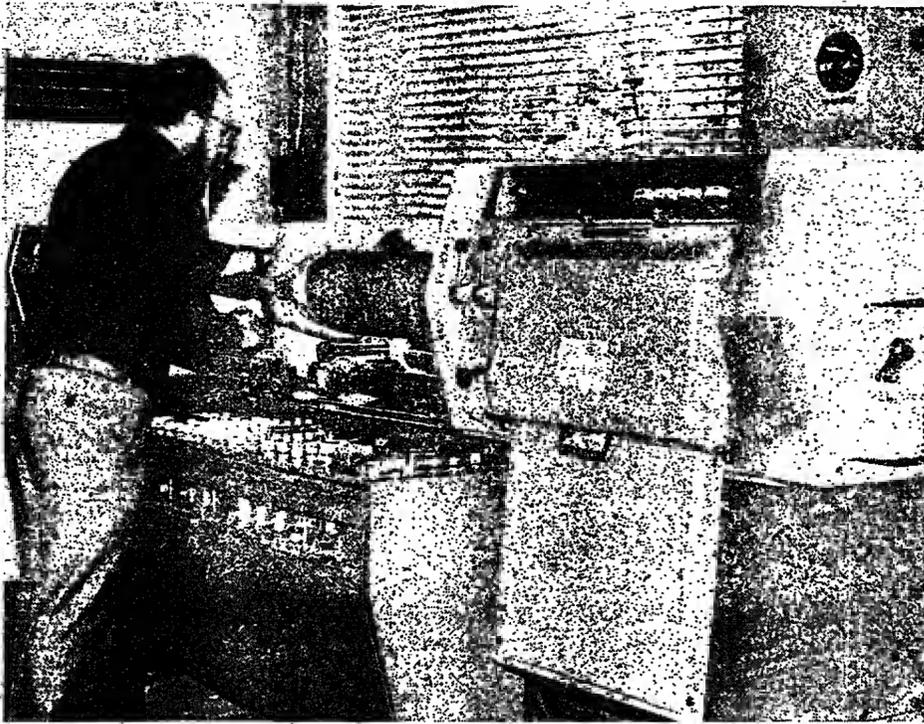
Quite a lot of City printing in the past, as now, was simply a matter of ordering more of something in general use: so the copiers and the instant print shops have replaced the jobbing houses because they are a simpler and cheaper way of doing a lot of the work which does not involve the design and typesetting of an original.

Inevitably, the changes which have taken place within the City's own labyrinth of commercial activity have reshaped the patterns of City printing: automated office systems, such as addressing machines, sorting equipment, word processing (the latest fashion) and the ubiquitous computer all, at some stage, need printed matter of some kind, if only the forms, punch-cards and systems stationery which are used in immense quantities.

Suppliers of business stationery of this kind do not need to set up shop in the City: they are manufacturers whose wares can be sold in bulk. Indeed, so competitive and, for a while, so profitable was this whole sector of business forms printing that it attracted many specialist suppliers, and the resulting price-cutting scramble for the business reduced the margins and, ultimately, the profits of what once looked an established new area of print.

Share

Between 1975 and 1977 a number of Britain's 60 leading stationery manufacturers performed badly. Despite an overall increase of 27 per cent in turnover, almost half of them gained a yearly sales growth of a mere 10 per cent. Between 1974/75 and April 1977, the number showing an actual loss went up from one to seven, while overall profit margins dropped from 10.9 to 6.1 per cent. Lower spending by government and local authorities was given as one of the reasons for this poor performance. But there seems little doubt that the war to gain a bigger share of the admittedly large market which commercial business systems provided was a major



This laser scanner at Nickeloid, a trade repro house based in London and part of British Printing Corporation, is another example of technological advance.

reason for the halving of return on capital in three years of those 60 stationery suppliers, from 24.5 per cent to 14.1 per cent. Only two of them improved their return in that time.

If the jobbing printer can be said to have departed from the City for good, there remain a few companies which, from long association, careful marketing and a willingness to change with the times, still do good business in the City. Fortunately for them, the ways of business in London are as gradual to change as the ways of printers: in both there is not only a respect for tradition, but a practical need to sustain it. What has altered the City printing scene more radically than anything else is the lively—indeed almost neurotic—nature of international commercial transactions, particularly the closely-timed dealings of the international board markets, where such modern aids as the facsimile transmission of documents from portable transmitters carried by the printers' own sales representatives are used to get essential details into print as quickly as possible.

These valuable bits of paper

may contain many thousands of words, all of which not only have to be typeset, but also proofed and passed, under conditions where the loss of hours can result in the loss of money which, as everybody knows, is anathema to the City.

In much of this work there is a security element which, though it may not come strictly within the definition of security printing (dealt with elsewhere in this supplement) is important. One does not readily give the printing of some prospectuses to the "little printer round the corner" for obvious reasons.

These, and a few other considerations, have ensured that today's City printers are, in every sense of the word, specialists. To take but one example, the wide use of automatic sorting equipment, such as that for cheque sorting via magnetic numerals, is by no means as easy a job for the printer. The figures, each with a machine-recognisable profile, are printed using inks which contain magnetic particles, identifiable by the sorting machinery—which might seem no more difficult for the printer than printing any other image on to paper.

The fact is that the sorting equipment is extremely sensitive, so the special figures have to be very accurately printed and placed on the document. The magnetic particles tend to wear the printer's numbering mechanisms rather quickly, so some way had to be found to maintain the accuracy of profile and—more technically difficult—to check that this accuracy was being maintained while the presses were running and producing the numbering: the fall-off of quality in a single numeral could result in the malfunctioning of the sorting equipment and a serious holdup in processing the documents.

Potential

An impending change, which could have the most far-reaching effect on how the City uses printers is that of word processing, already mentioned. Systems are now available which will accept, store and print out documents from a central, computerised unit so that, once input has been stored, an operator may call up any one of thousands of standard documents, reports, agendas, letters, and so on and make only the small changes needed—by inserting them from a keyboard operated in conjunction with a visual display screen which shows the content of the store.

It easily can be imagined how simply the standard documents which contain mainly the same text, but which require alteration of detail, such as names, figures and so on, can be handled literally at the touch of a button and within an organisation's own administrative department. The potential for expanding such systems to produce a typeset output is already available, and the consequence

of this for printers and typesetters now working at full capacity to keep pace with the City's word mountain can be seen—as can the reaction of the printing unions if such a thing comes about.

Old City hands will not need telling that trade and commerce now represents a vastly larger sector of City activity than financial dealings of the conventional City-based kind, and this has meant a large demand for high-quality printing of a kind rarely seen there 20 years ago. Brochures, catalogues, price lists and similar, commercial print is bought, but bought mainly outside the City itself. The transformation of the sober company report into a large, prestigious colour-printed booklet has brought new work to printers who know how to design and produce such luxurious items, and the same

goes for the well-produced print needed for employee information on the finances of companies, now required by law.

In place of the jobbing printers who left have come the trade typesetters, most of them using advanced photo-typesetting equipment. It is at the typesetting and proofing stages of many print jobs that the closest, quickest and most conveniently-organised liaison is needed. And the general use in commercial printing of the offset lithographic process for the actual production of the job has made it easy to have typesetting done in one place, then proofed, corrected and supplied to the printer in another place.

Costly

The larger number of direct transactions between printers and City customers, or their agencies, is now carried out in at least two stages—typesetting and printing—which enables the jobs to be set and photo-proofed up to their final state before the mainly mechanical process of printing them is done elsewhere. It is a division of labour which can be costly compared with the old print shops which did the lot under one roof, but for which the City is apparently ready to pay.

A sign of the times is that printers all over Britain, and a few from overseas, now run London offices rather than London plants, hovering around the City and waiting to pick off the plum jobs which do not need the specialised skills and equipment of those few printers which have remained firmly wedded to the City and its peculiar ways. The standard of representation has to be high: City men are themselves professionals, and ruthless with suppliers who will not learn their ways and language. They are also ready to respect, and use, printers who know their jobs in the same spirit as they use other professional services.

Prospectuses, offer documents, rights issues and, now, Eurobond and Euroloan particulars still have enough small print in them to keep a handful of big, successful companies at work in the City or within close reach. But even here capital costs of equipment, labour costs and, above all, the cost of maintaining premises within the City, will not make print any cheaper there, so it is only by making themselves indispensable that the remaining City printers survive, and this they seem to be doing well enough.

Roy Brewer



A modern typesetter—the Autologic APS-5.

Will your Report and Accounts make the right impression?

It takes skill and experience to produce a company's Report & Accounts. There are high levels of quality and accuracy to be attained—and tight deadlines that must be met. At Brown Knight & Truscott we can offer you all of this—and more! We have some of the most sophisticated typesetting and printing equipment in the country. If you'd like to know more, contact Tony Brazier, on 01-626 5477.

Brown Knight & Truscott Ltd
 Printing division
 11/12 Bury Street, St Mary Axe, London EC3A 5AP
 Telephone: 01-626 5477 Telex: 887116
 Dowgate Works, Douglas Road, Tonbridge, Kent TN9 2TS
 Telephone: Tonbridge (0732) 351216 Telex: 95573

If you want to know what British printing can do for you—ask The British Printing Corporation

Whatever you want done in the way of printing, packaging or publishing, The British Printing Corporation have the resources and skills to do it—and do it very well. In fact it's not too much to say that if BPC can't do it, nobody can. Our name sums us up. We are British Printing.

For details of our services write to the Public Relations Department, The British Printing Corporation Ltd., Print House, 44 Great Queen Street, London WC2B 5AS.

Marketing CONTINUED FROM PREVIOUS PAGE

the presses turning at virtually no cost. It means close analysis of the existing product mix and a sharp eye for new types of printing, as when, for example, Oyez Press made a special pitch from 1976 onwards for printing employee reports, very much a new phenomenon in customers' printing requirements. In the case of BPC, for another example, it meant developing separate specialisations for its various (and variously sized) subsidiaries.

It means better promotional literature, well printed (not always the case in the printing industry) and the involvement of everyone in the company—van drivers, compositors, switch-board operators, as well as

sales staff—in the marketing effort. Whether that effort also extends to the golf links and fishing trips for clients may be more debatable.

But the pressure to market, in the sense of offering high-quality specialised services to customers, will if anything intensify, as many of the more routine tasks of printing are taken over by customer organisations themselves, with cheap printing equipment and the spread of word processing systems, with a print-out capacity allied to cheap and convenient means of data storage and editing.

Specialisation in marketing can also have far-reaching consequences for printing company

organisation. Williams Lea, for example, which reduced its traditional printing to concentrate more on financial printing, such as annual reports and corporate finance work, has described how this meant keeping both production facilities and management available 24 hours a day. It also meant a fresh look at security and delivery methods, since it now handles sensitive financial information and providing overnight accommodation for customers. Shift work, to cover longer hours of machine running to meet the high cost of re-equipment, may itself be a new departure for printers.

Whether the industry as a whole could do more to promote its wares and services is yet another matter. Given the number and variety of its component companies, it may be difficult. But there has, for example, been a welcome flow of work from abroad to British printers as a result of overseas marketing efforts, thus offsetting the volume of British printing work going overseas, for which the industry has at times been heavily criticised.

Marketing does not need to be too introspective, since customers are not in the end much interested whether the final effect is gained by widgets, sprockets or megabytes. But it does need to be a bit more sophisticated than the familiar printer's calendar, whose pin-ups are at about the same level of bar-room appeal as the equally familiar local garage calendar.

The modern computer typesetting printer is an information-handler who in the future may not always use paper as his medium. The thrust of modern electronic innovation promises little peace for the industry's marketing men, or its marketing techniques.

Rex Winsbury

FISHBURN INK
 leaders in printing ink technology
 INMONT Fishburn is an Inmont company
 FISHBURN PRINTING INK COMPANY LIMITED
 94 ST. ALBANS ROAD - WATFORD
 TELEPHONE: WATFORD 28282

THERE'S ONLY ONE WAY TO GET YOUR PAPER TO YOU FASTER.

There's no getting away from it. If you're in business today you've got to move fast.

So we've installed a computer which stores up-to-the-minute information on our orders, our deliveries, our customers and our stock situation.

It allows a man at a distant branch to check instantly on a screen exactly what's available at our central warehouse or any other depot.

Coupled to an ADX system it means a message or order can be sent in writing across the country within minutes. And a computer telex link gives us fast access to our offices and clients overseas.

We're the only paper company that boasts these facilities. They mean no one else in our field can be as quick and efficient. The day we can deliver as fast as we can process an order, you could have it in front of you before you put the phone down.

WIGGINS TEAPE THE PAPERMAKERS.

THE WIGGINS TEAPE GROUP LIMITED, GATEWAY HOUSE, BASING VIEW, BASINGSTOKE, HAMPSHIRE RG21 2EE. TELEPHONE BASINGSTOKE (0256) 20262.

THE PRINTING INDUSTRY IV

The search for profits

If you require the best value in bindery equipment come to the best people to supply it.



Geliot Humer Ewen Ltd.

148 Maidstone Road, Ruxley Corner, Sidcup, Kent DA14 5JB Telephone: 01-302 0021

- G.H.E. are agents for: Baker, Gaba Binding and Embossing Presses, Billhofer, Cui's Varnishing and Laminating machines, Bodmer, Wire stitching machines, Folding machines, Thiel's book sewing machines, Fackler wire stitching machines, Bonanobers wire stitching machines, etc. GHE Hydraulic binding presses, Grafotec, Headtop automatic feeders, Hunkeler, Range of bookbinding machinery, Ochsner, Automatic gilding machines, Omron, Post-Back striping machines, Perten, Guillotines, Three-tille trimmers, Polysgraph, Zirkon and Saphir Web-Offset Presses, Schiavi, Chroma and Flexographic Presses, Slick, Book-back smashing machines.

Helping your printing plant to grow.

The specialists in WEB OFFSET PRINTING

Four giant 4 colour heat set perfecting presses. Film setting. Fully automatic Bindery. Complete service through to direct mailing from the works.



PETTY & SONS LIMITED LEEDS LS12 1BD TEL. 32941

PRINTING INDUSTRY profits overall and throughout the world, by any standards, are abysmal. Yet most individual owners of printing companies live pleasantly, an apparent paradox which is easily explained by a look at the structure of the industry itself.

Despite considerable technological advances, and the introduction of computers and machinery which is very expensive and almost impossible to finance, printers have remained very much a service industry catering to an extraordinary range of demands. These range from cheap handbills or visiting cards to fat, glossy mail-order catalogues, giant posters, magazines, and books from minuscule edition runs to mass-production publications.

Expressed in numbers of printing companies to a country, the majority of European and American printers employ fewer than 50 people. In some countries the largest number of printing companies in operation employ a mere four or five people each. In the bigger cities, "instant printers" have taken away some of the market of the small local printer, but also have created new business for established printing by generating a more widespread interest in printed products.

As an industry, printing gives employment to large numbers of people. The two highest industries in Europe are in Britain and West Germany and the German industry was bigger than the British one until recently. Production streamlining, new machinery and natural wastage however, have shrunk the German industry by more than 15 per cent in terms of the number of people employed.

The really small printers are not particularly worried by new competition. They have their own little, often arbitrary pricing methods—if one can crack methods of all. From 50 employees upward, however, competition plays a major role in the printing industry. Pricing is less important in urgent work, at the smaller editions of commercial promotional literature and leaflets, but very important in larger-volume production. It is extremely important in magazine and book production (newspapers are

not being considered in this context).

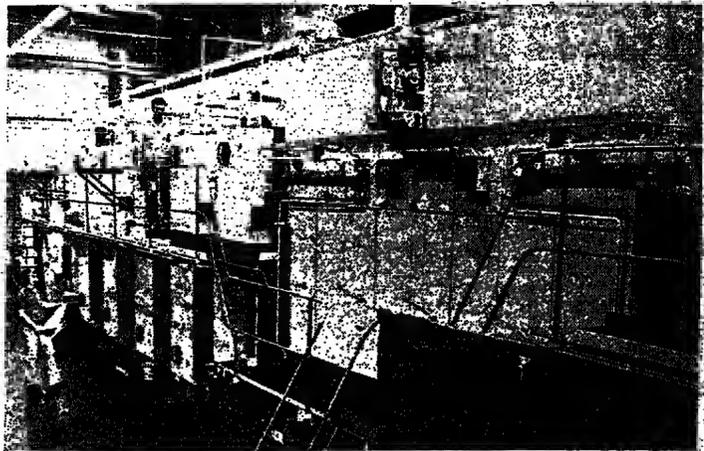
Like the newspaper industry, the printing industry has to work to tight schedules. Deadlines must be kept more insistently than in many other industries. Most work is "one off" except in the very substantial sector of printed packaging. In The Times 1000, a fair number of British (and Irish) companies listed are print-based organisations. Europe's biggest today is the Dublin-based Jefferson Smurfit packaging group with a turnover of £16m. Other print groups may be bigger, but are active in other fields, too.

Packaging usually involves repeat printing of mainly large volume work. Magazine, book and general printing means putting a job together from scratch almost every time. Service therefore ranks foremost. Advertising and marketing clients of the printer must have their brochures ready to coincide with the launch of a new product. Their choice is incredibly wide. However, a closer look at who prints what shows that from a certain volume upwards there are really only a few printers that handle large orders.

Most of the very big printing plants in Europe are captive and belong to magazine publishers. In recent years they have endeavoured to get away from too great a reliance on their parent companies and are taking in an increasing volume of work from outside. A mail-order catalogue producer, however, usually has to have his catalogue printed by half a dozen or more printers all over Europe. Were he to require only 20,000 copies of his catalogue, however, he could print anywhere anytime.

Seasonal

There is considerable overcapacity in the midweek field of printing. There are too many printers and too many machines to set type and to print. There is, however, a seasonal bottleneck in making colour reproductions. British reproducers ship work to Germany, Swiss reproducers to Britain and the U.S., Germany and Britain import colour separations from as far away as Taiwan and Singapore, more recently also



First job produced on this five-unit Marononi web-offset press at Petty and Sons of Leeds was brochures for a leading Belgian package-tour company. The press was commissioned last September.

from South Korea. Printing which requires a lot of manual finishing (such as fancy greeting cards, some children's books and so on) is produced in Taiwan, Latin America or anywhere and search the world for new quality at new, and they hope, lower prices.

On the whole, today's most successful printers, large, medium or small in size, are those who find the right new technology and are able to offer this technical approach together with marketing skill. The --?-- may be more important for the printer to know how to distribute books worldwide than to do his own binding. After all, sub-contracting services can always be bought in. Because there is a seasonal shortage of colour reproduction capacity, it is therefore possible even for a printer in high-price Switzerland to sell his colour printing to Britain and America using a new Japanese process of converting (more easily available) litho reproduction to gravure and at the same time offer clients a means of checking the outcome of colour reproduction at low cost. A medium-sized printer in

Norwich therefore may be able to print one one new eight-page web offset press work not only for direct clients but also for large printers whose work structure forces them to take in jobs which should really have gone to the smaller company in the first place.

Because the industry is so fragmented, it offers worldwide from a poor profit record. The two giants of Japanese printing, Dai Nippon Print and Toppan Printing, report profits of only about 4 or even 3 per cent on turnovers of about £290-300,000m each. Out of 31 U.S. web offset (non-heatset) commercial printers, only 39 made adequate profits. Average profits for the U.S. printers investigated were only 1.74 per cent. Interestingly enough, those who paid higher than average wages were also those earning higher than average profits.

In Bavaria, a printing industry survey found that only a quarter of all companies made reasonable profits and almost a quarter of companies reported "nil profits." Admittedly, because the smaller printing

Europe is taking over from the U.S. as the main area of investment in printing, followed by Japan.

Outside Japan, however, printers lack active interest in research and development of their own. Most new developments are brought to the printing industry by manufacturers or come from the newspaper industry—which in turn has a very sad record on training. Newspapers traditionally take their skilled staff from printing companies and simply buy talent and new technology.

Status

Apart from certain traditional craft skills they are content with employing mainly unskilled or semi-skilled labour. Hence the resentment worldwide of the skilled newspaper craftsmen at their loss of status through the new electronic techniques. Japanese printers have taken over research and development for the printing industry where this is not being conducted by the supplying industries. The results of their efforts are now beginning to reach Europe and the U.S.

More pollution-conscious than printers anywhere else, the Japanese have designed recycling systems which use even that sort of waste which, before had to be dumped at sea. Water-based gravure inks instead of solvent inks are used extensively and they have designed colour reproduction systems which are compatible with any make of equipment instead of being suited only to one manufacturer's machinery.

There is an acute shortage of printing skills throughout the world. New technologies where they do not entirely displace traditional skills, demand better training and greater skills of the craftsman, who also has to be psychologically attuned to working with equipment offering extremely high output with the aid of computerised controls. The printing colleges have only begun to understand the need for a new form of formal print training. Only in Switzerland is training planned to be "poly-valent" in future, to provide skilled printers and reproducers capable of changing their work routines to suit new technologies.

Percus Jaspert

More demand for security printing

SECURITY PRINTING falls into two main categories: the printing of City documents—rights issues, takeover and merger documents, bond issues, Eurobonds—and the printing of money or of promises to pay, in various forms, as banknotes, cheques, orders and travellers' cheques.

The first of these is largely the preserve of half a dozen companies generally referred to as the "City printers," which compete fiercely for the available work. They are Burrup Mathieson, Williams Lea, Greenaway, Waterlow, Oyez, Metcalfe Cooper and Eden Fisher.

Their work is in the printing of documents which must not be released or seen until a particular time, and often must be printed at extremely short notice. So security, or City, printers must combine secrecy with speed requirements which increase their costs (and prices) and necessitate 24-hour working. All City printers pride themselves on their ability to deliver high-quality work rapidly; the skill has been developed to serve a market where the demands are unlike those in any other.

Serving it means—besides 24-hour working—a large typesetting plant geared to capacity working, with a workforce similarly structured, and either an in-house courier service or instant access to one which can cope with international work. This need to cope with a heavy burden of work which comes suddenly and thus to carry excess labour and technical capacity—a characteristic shared with newspapers—means that in periods of recession security printers can be placed in a particularly uncomfortable vice. In their worst year in recent times—1972-73—some printing was required by a number of companies to survive.

Facilities

Business has picked up sharply since then, as City business recovered to a large extent, and more especially, with the growth of the Eurobond and Eurodollar markets. The City printers reckon that their success over their continental rivals shows that the practices developed in serving the City has made them the most efficient in Europe. While Eurobond issues do not generally pose increased technical problems for printers, they do demand speed of an even higher order than domestic work. Here, an order may come in

to a printer's London office—through a continental office—more and more are finding it worthwhile to be represented in Europe—on one day for delivery in southern country the next. Therefore, allied to the ability to print rapidly must be rapid and secure delivery.

This booming market, together with the established business for rights issue, takeover and mergers, new companies going public and report and accounts, have made for healthy business in past year. However, 1978 saw a dip in the steady increase in trade for a number of reasons.

First, the traditional trade has seemed to show signs of strain. Fewer and fewer companies are coming to the market for the first time, preferring to find money in different ways. There are, say the printers, fewer rights issues and fewer mergers and takeovers than in former years.

Further, reports and accounts—which is referred to by some printers as "semi-security" work not requiring the quite the same level of security and rarely the same speed, and which is a staple business for all of them—are slowly declining as the gradual concentration of companies continues. However, there is some compensation in this area, for a number of the larger public companies are devoting more space and more care to their reports. Sometimes, as in the case of the General Electric Company, printing a synopsis for its workforce separately from the main report—and so the work on each account can often grow.

But the largest cause of the slack year has been a levelling out of Eurobond work, which most printers agree must be blamed on the dollar. "While the dollar remains weak, then our workload remains lower than otherwise," said one leading printer. "When it picks up, so do we." There have been about 160 bond issues over the past 12 months, down on previous years.

However, all agree that trade should look up in the year ahead, and none apparently has been so badly affected that it has had to lay off staff or cut back on capacity. In certain areas, indeed, there has been expansion. Business for the Middle East has grown, and looks like continuing to do so, and it seems that the UK companies as a group, have not lost share to other European companies. Where City printers tend to

shy away from publicity, the other type of security printers—the people who actually make the money—are positively invisible. Yet the UK boasts the two leading banknote-printing houses in the world.

Pre-eminent is De La Rue, a specialist money printer for nearly two centuries. The vast majority of its market is overseas—its factory at Gateshead is the largest of its kind in the world, with a capacity to print about 8m notes a day. There, notes are designed and produced for most countries in the world, using the art of engravers so skilled that their training lasts up to 15 years. The company reckons that it employs as many as half of these highly-skilled craftsmen now working.

The company has one competitor, Bradbury Wilkinson, which serves much the same market from its factory in New Malden. Both companies print money for those countries—still many—which lack their own mint. Both are printers of every kind of money and both use design techniques, including computer-aided design, of a type, found almost nowhere else, coupled with traditional skills for which few other businesses have any use. Their secrecy, by the way, is not perverse: their customers do not welcome everyone knowing where their money is made.

While there is a long-term threat to the money printers' markets—that of the countries for which they print acquiring their own facilities—they have found that so long as their services are kept efficient and discreet, losses of this kind are few. Besides, such losses are more than compensated for by the steady growth, over recent years, of "money systems" such as Giro, cheques, credit cards and so on. So while the "cashless society's" arrival—if it ever comes—would pose some problems, it is not an event for which they are wholly unprepared.

John Lloyd

For further information and advertising rates, please contact:

- Simon Theakston—Printing Machinery—Ext. 595 Peter D'Aguliar—World Pulp, Paper and Board—Ext. 453 Financial Times, Bracken House 10 Cannon Street, London EC4A 3DF Tel: 01-248 3000. Telex: 885033 Fintim G

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

The content, publication dates and size of Surveys in the Financial Times are subject to change at the discretion of the Editor.

we've computerised 250 years of experience

For nearly 250 years we have sought to combine improvements in technology with the traditional craft of printing.

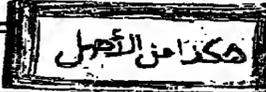
Now we have developed one of Europe's most advanced computerised word processing and photocomposition systems—a new addition to an already impressive list of high technology equipment used in the Group to enhance our competitiveness and service for our customers.

For financial documents, company reports and accounts, technical books, periodicals, point-of-sale, postage and trade stamps, record labels, laminate papers, brochures, a skilled design studio and high quality colour reproduction...

Call us, we're helpful as well as efficient.



The Harrison Group Costes Lane, High Wycombe Buckinghamshire HP13 5E2 0494-33321



Richard C. Hanson on the sweeping changes taking place at Japan's fourth-largest motor company

Mazda recovers some Eastern promise

THE ATMOSPHERE at Toyo Kogyo's Hiroshima headquarters has improved considerably since the oil crisis spelled near disaster for the maker of Mazda cars. Although it still carries a backlog of debt, the company has finally recovered the profit levels of the booming late 1960s: its expanded sales force faces a new year for the first time since the early 1970s with a whole range of promising models.

What matters even more is that Toyo Kogyo's executives have finally decided what to do with their proudest achievement—the rotary engine, though it has taken an embarrassingly long time to correct the mistakes of the past.

Behind the new optimism is a sweeping change in management and business strategies aimed at independent survival in the 1980s, much of which has come into Mazda over the past two years. The changes stem at least partly from the arrival of a new president, Yoshiaki Yamasaki, who marks a break from decades of direct rule by chief executives from the founding Matsuda family. Kohji Matsuda, 58, grandson of the founder is still chairman but no longer holds executive authority.

Despite the prevailing sense of optimism the company will still need all the lucky breaks it can get if it is to compete successfully in the increasingly difficult domestic and international car markets. Toyo Kogyo's position in the Japanese motor industry league table actually fell in 1978 to fourth place, behind Toyota, Nissan and the fast-

moving Mitsubishi Motor Corporation.

Toyo Kogyo derives its reputation for being both adventurous and unique from the fact that it is the only motor manufacturer in the world mass-producing rotary as well as piston and diesel engines.

But the emphasis on developing technology for the German-inspired Wankel rotary engine has for years obscured the problems of how best to develop a successful rotary sales strategy. Toyo Kogyo engineers introduced the first rotary car in 1976. Management, however, clung stubbornly to a strategy of "building passenger cars which could use either piston or rotary engines interchangeably." This distracted from the distinctiveness of Mazda rotary cars. When the oil crisis struck hard, the poor fuel economy of the Mazda rotary car almost drove it from the vital American market where the novelty of a smoothly whirring high-performance power plant (instead of the traditional "chug-chug" of the piston engine) had helped to give it a flying start.

The problem which faced Toyo Kogyo in 1974 was to develop a car which takes advantage of the only real pluses of the rotary engine:

compactness, light weight and good performance in acceleration. (The problem of fuel economy has rapidly improved since an initial bad rating and is generally equivalent to piston engine performance now.)

The answer turned out to be a comparatively low-priced sports car, the Mazda RX-7 or Savanna, which appears to be perfectly suited to the rotary. Its introduction in Spring 1978 proved to be a boon both in rebuilding the tarnished Mazda rotary image, and in pushing the sales of other Mazda cars.

The RX-7, particularly in the U.S., has drawn customers back to the Mazda showrooms which were much deserted in 1974. It is hoped that momentum in the U.S. market will be kept up by the launching of overseas marks of a new sports/roadster coupé, the Mazda 626, which uses a piston engine. Meanwhile, the RX-7 will follow up its U.S. debut by appearing in Europe (excluding the UK) this Spring.

The success of the rotary sports car is inspiring Toyo Kogyo to develop other, exclusively rotary engine cars. The overall emphasis on the technical side aims to create comparatively unusual products for the 1980s which will secure Mazda's niche in the motor market. This will depend



Mazda RX7—drawing customers back to the showrooms.

largely on how successful the engineers are in producing the right mix of efficient diesel, piston and new rotary engines.

The next major advance in rotary is expected to be the adoption of a catalytic converter to meet future emission control standards on the rotary which would improve fuel economy in city driving conditions by about 25 per cent. A major improvement in diesel engines for passenger cars is under development and a car is likely to join Toyo Kogyo's commercial trucks in using diesels in the not too distant future. Research is also continuing

on a rotary engine that will use kerosene ignited by a spark. Toyo Kogyo management admits to serious communications problems in the past between its development and sales divisions—with the latter suffering badly from neglect. To make up for this, it will have switched nearly 3,000 workers from the production side to boost the sales network by the middle of this year. The move (which incidentally helps to trim production costs) has been welcomed by the distributors who have also been given more financial aid to help them expand.

Domestic sales have already picked up considerably, growing 14 per cent in 1978 with another 17 per cent rise hoped for this year, to total 400,000 cars and trucks.

The only problem is that the switch-over of production personnel will only be for two years—thanks to insistence by the company union that the men concerned should be returned to their proper jobs with the parent company. The next two years thus represents a breathing space during which management solutions must be found to the problem of strengthening the sales side.

Overseas, where about 60 per cent of Mazda's cars and commercial vehicles are sold, there are also some potentially serious problems. Toyo Kogyo's executives fear the growth of competition overseas, particularly in the small-car market which the Americans will be entering in full force before too long.

In 1979, overseas sales will grow because of the introduction of new models but last year's exports rose only 2 per cent—to 538,000 units. And this year, too, the growth rate may be limited to a mere 2 or 3 per cent because of the impact of the Yen appreciation on overseas prices.

Toyo Kogyo originally set out

to make its range of sports cars cheaper than models offered by rival manufacturers (besides offering the special attraction of the rotary engine). However, the cost of the lower priced sports car model in the U.S. has gone from \$6,395 when introduced in May last year to nearly \$7,000. The more expensive model went up \$1,000 to nearly \$8,000.

Management regards an exchange rate of ¥100 to the dollar as the limit at which it can profitably sell in the U.S. (the present rate is about ¥190).

Adding to the uncertainty of the export outlook into the 1980s is the likelihood that Toyo Kogyo's exports of small trucks for sale by Ford in America could be hurt by new U.S. regulations. From 1980 onwards, U.S. car makers will have to meet more stringent fuel consumption standards for all vehicles made in the U.S. (excluding "captive" imports like Ford's "Courier" trucks from Toyo Kogyo). This could push Ford into small truck production on its own. Toyo Kogyo plans to produce Couriers until at least next year, when Ford will have to come to a decision.

Before making a start at tackling its post oil crisis problems, Toyo Kogyo's management was reinforced by an infusion

of executives from its major banks, Sumitomo Bank and Sanmei Trust and Banking Corporation. The bankers started moving in when the company found itself faced with debts totalling ¥358bn in 1975. By last October the debt burden had been reduced to ¥313.6bn. Because of improvement in its financial position, Toyo Kogyo has decided to switch from paying for contracted goods on a promissory note basis to a 50 per cent cash basis policy.

Although plenty of problems still lie ahead, Toyo Kogyo refuses to entertain any thought of eventually joining with another motor company—either domestic or foreign. It has been independent for 60 years since it started as a cork manufacturer. The company's relatively distant location on the southern tip of Japan's main island in Honshu seems to strengthen the independent team spirit attitude. (The new president once coached the company soccer team.)

It is likely, however, that the international motor industry will see some major restructuring in the next decade. It is very difficult to see how Japan's 10, aggressively competing car makers, can avoid some regrouping among themselves, or stronger ties with U.S. or European producers.

The correctness of Toyo Kogyo's decision to hold fast to the rotary engine as a mainstay for the future (partly taken to maintain its pride in having choco it in the first place) while all others have stayed away from it—will be a decisive factor in its ability to survive alone.

A tilt at the business school

BY GEOFFREY OWEN

THE inadequacy of British management is the most convenient explanation for the UK's disappointing industrial performance since the war: it can be used to account for virtually all our problems, from faulty product design to bad labour relations. The argument comes in two parts: that for social reasons industry, especially manufacturing industry, has attracted too small a proportion of the country's ablest people, and that those who do embark on a career in industrial management are poorly trained for the job.

It was to improve the status and qualifications of industrial managers that the National Economic Development Council recommended, in its 1963 report on "Conditions favourable to faster growth," the formation of at least one school or institute comparable with the Harvard Business School in the U.S. This led to the creation of business schools in London, Manchester and several other centres. Management education flourished. What is now the Management Page of the Financial Times was launched

and there was intense interest in new, mainly American, management techniques.

Yet in recent years there have been signs of disillusionment with this approach. In a useful collection of papers on "Manufacturing and Management," just published by the Department of Industry, several authors point out that in countries like Germany, France and Sweden, whose industrial performance has been superior to that of the UK, the notion of management as a sort of profession which can be studied in specialised institutions has not taken hold. The suggestion is that, by giving managers a superior status and equipping them with knowledge and techniques of doubtful relevance to the real world, Britain's business schools may actually be widening the gap between the so-called professional manager and the practical problems of industry—which are concerned with designing, making and selling things. In continental countries it is these practical skills which are most highly valued.

In Germany, says Jan Clofer,

one of the editors of the book, functional qualifications and expertise are important in the selection process at all levels, including the highest ones. "Those who succeed do so as specialists who show ability to take on more responsibility; there is no dividing line, as there is in Britain, above which individuals re-classify themselves as managers."

In Sweden the typical entrant into a large manufacturing concern is a graduate in engineering who begins his career in production before making a shift to a senior management job in his 30s or 40s.

Arndt Sorge of the International Institute of Management in Berlin emphasises the strongly vocational bias of German higher education, especially the technical universities. The second half of a

four-year degree course is largely concerned with a speciality like automobile or aircraft engineering. "Teaching has a highly practical bent and can be compared to the professional training of teaching hospitals in Britain: it would compromise most of what professional engineering institutions in the UK are supposed to coordinate after university studies in engineering have been completed."

According to Sorge, the German word "manager" has some negative connotations, partly because it was first used to describe such people as organisers of boxing matches and circuses; it was a label for "a certain astuteness in emptying the common man's pockets by just putting on a show without being able to perform in it." More seriously, the mana-

ger is felt to have no intrinsic attachment to whatever happens to be his throughput. "He is regarded as a jack-of-all-trades, dabbling in all kinds of things here and there, without serious dedication to a well-defined life-time activity."

It is accepted in Germany that people must have a thorough grounding in a vocationally-oriented institution of higher education before starting on the management ladder. "The idea of management as a profession does not occur; instead, separate occupational identities of engineers, sales people, financial people, etc are fostered." Sorge shares the scepticism of senior German managers about the value of general management courses. He thinks that the management centres, of which there are several in Germany, should

concentrate on specific tasks— notably familiarising specialists like production engineers with techniques and knowledge outside their speciality.

In another paper Alistair Mant reports the comments on British management made by senior executives in Swedish companies with UK manufacturing subsidiaries. Among the findings are that the British manager thinks of himself as doing a particular kind of work; he is seen to ahhor detail and to assume, usually incorrectly, that attention to detail may be readily delegated downwards; and he is felt to lack fundamental interest in the technologies he is managing. Mant refers to other productivity comparisons which show a slackness at lower levels of British management leading to

excessive waiting time and over-manning.

There is a great deal of interest for managers and students of management in this book. But one wonders whether some of the authors, in their enthusiasm for the Continental approach to industrial management, are not under-rating the importance of American ideas. Management science, mainly developed in the U.S. and defined by E. T. Jenkins of ICI Petrochemicals as "the attempt to derive valid generalisations from observation of industrial phenomena"—has certainly helped to improve management effectiveness. American experience is at least as relevant to the UK's industrial problems as that of Germany or Sweden. In the UK the role played by U.S.-owned companies, especially Ford, in upgrading the quality of management has been significant.

Another oddity is that the themes touched on in the opening paper by a successful industrialist, Michael Edwardes of British Leyland, are virtually ignored by the other contributors. Edwardes calls for

changes in the tax system so that the incentive of personal reward can be restored at all levels. Have the other writers, mainly academics, considered this point in their researches and concluded that it is not a central issue?

Of course it would be wrong to over-rate the importance of personal reward; it is in any case not directly relevant to the main theme of the book—the mismatch between what manufacturing industry needs and what the schools and universities supply. But it is surely worth considering the possibility that British managers would perform better if the burden of taxation was reduced. Such an improvement in performance might even offset their supposed educational deficiencies.

Manufacturing and management; the published collection of papers given at a conference organised by the Department of Industry in December, 1976, of the City University; edited by Michael Forcs and Ion Glorer; HMSO £3.25

BRITISH MANAGEMENT SHOULD LEAVE THE COUNTRY.

This April, from the 18th-26th, management from all over the world will be deserting their desks.

They'll be in Hanover, for the annual Trade Fair. They wouldn't miss it for the world.

Over 230 acres of the latest products and technical innovations — spanning twenty-seven major sectors of commerce and industry. Many new products launched at Hanover, by the top names, every year.

Displays, symposia and specialist conferences from more than 5,000 exhibitors. All the famous names, of course. And quite a few you probably don't know.

New companies, with new ideas.

Everything from microprocessing, office planning and warehousing, to industrial lighting, regional planning and power engineering.

With instant access to information about them all, from EBI, Hanover's computerized information service for visitors.

For nine days, management come to Hanover to exchange ideas. To make new contacts. To find new ways of improving and updating their businesses.

Hanover Fair gives them a unique opportunity to view business and industry in perspective, by showing them a total picture of the world market.

The only Trade Fair in the world to cover so diverse a range of topics, in such great depth.

It's important, if they want to keep pace in an ever-changing world.

And it's important for British Management to be there, too.

Post the coupon now, ticking the topics that interest you.

Please send me the Fair Planner, details of the topics I've ticked, and travel information.

<input type="checkbox"/> Office and Data Technology (CaBIT)	<input type="checkbox"/> Electronic Components and Sub-Assemblies
<input type="checkbox"/> Power Transmission and Control	<input type="checkbox"/> Electrical Installation
<input type="checkbox"/> Industrial Handling - Hanover '79	<input type="checkbox"/> Electric Lighting
<input type="checkbox"/> Power Transmission Engineering	<input type="checkbox"/> Electro-Acoustics (Entertainment Electronics)
<input type="checkbox"/> Internal Combustion Engines	<input type="checkbox"/> Specialized Areas and Processes in Electrical Engineering
<input type="checkbox"/> Oil Hydraulics and Pneumatics	<input type="checkbox"/> Research and Technology
<input type="checkbox"/> Compressed Air Technology	<input type="checkbox"/> Plant Construction
<input type="checkbox"/> Assembly and Work Handling	<input type="checkbox"/> Iron and Steel, Non-Ferrous Metals
<input type="checkbox"/> Welding, Cutting and Joining	<input type="checkbox"/> Subcontracting (Parts, Assemblies, Production Services)
<input type="checkbox"/> Tools	<input type="checkbox"/> Building Materials and Components
<input type="checkbox"/> Mechanical Handling and Warehousing	<input type="checkbox"/> Advertising Aids
<input type="checkbox"/> Transport and Traffic	<input type="checkbox"/> Economic Promotion and Regional Industrial Development
<input type="checkbox"/> Cleaning, Property Maintenance	
<input type="checkbox"/> Electric Power Transmission	
<input type="checkbox"/> Electrical Energy Supply	
<input type="checkbox"/> Telecommunications	
<input type="checkbox"/> Measuring, Testing, Control and Automation Equipment	

Wednesday, 18th - Thursday, 26th April

To: Hanover Fair
UK Office,
PO Box 285,
Braeside,
240 Sanderstead
Road,
South Croydon
CR2 0AT.

The decline of creative sparkle

LOMBARD

Professors must be watched

BY DAVID FISHLACK

BEWARE OF the academic, warned Lord Rothschild in his Dimbleby lecture on risk recently. "I sometimes think that when talking or reading about risk the most dangerous word in the English language is professor." These, it should be recalled, are the words of a man who throughout a career spanning industry, the Civil Service and banking, has always retained the closest associations with the University of Cambridge.

A couple of studies on energy matters just published in Britain give point to his warning. Both appear publicly in the guise of being dispassionate analyses. Yet neither one seems to stand up to close examination, either in the rigour of its analysis or the independence of its conclusions. Both, I suggest, are essays attempting to justify their author's preferences.

Example

My first example is an examination of the Windscale Public Inquiry of 1977, into the plans of British Nuclear Fuels for a £600m chemical plant. The Social Science Research Council gave David Pearce, professor of political economy at the University of Aberdeen, a grant to study the inquiry procedure. The Windscale assessment and review project. One report of his findings has just been enshrined between hard covers in the proceedings of a nuclear symposium held in London last summer.

Under the bland heading "conclusions" Professor Pearce makes two points. "First, that failure to establish institutions which 'legitimise' nuclear opposition will merely result in that opposition expressing itself in socially undesirable ways. The opposition will not go away."

His second conclusion is, he admits, not a conclusion at all but a prediction. This is that "failure to establish or modify institutions so that they can in some way approximate to the 'model' we have suggested will also result in the same phenomenon."

Now even the first, as the reader will readily appreciate, is not a conclusion but pure supposition. What is more, it is neither supported by the analysis which precedes it nor by past events. The closest analogy to current attempts in

Britain to sustain a campaign against nuclear energy is the Campaign for Nuclear Disarmament of the 1960s. By the early 1960s CND had convinced itself that it needed only a change of government and Britain would abandon the bomb. Instead, the incoming Labour Government of 1974 ordered more nuclear submarines—and CND collapsed.

My second example is the report of a new London "think tank" called the International Institute for Environment and Development, offering a "low energy strategy" for Britain. It is the outcome of a study funded by the Ford Foundation. To quote its own conclusion, it suggests a "future of low risk."

The "risks" at which it hints are never spelled out. But the reader is left in no doubt that they must lurk somewhere in central electricity supplies and plans for growing dependence on nuclear energy. Instead, the 259 pages of the report are devoted—in agonising detail—to the myriad measures that must be implemented in order to restrict electricity growth to an absolute minimum and nuclear construction to a level at which (as the authors will be well aware) it is simply unsupported. The report advocates that the least of our worries in the which energy thrift will surely supplant the weather and strikes as our national preoccupations.

Similar

"We have found that it is astonishingly easy to save energy," Mr. Gerald Leach, the think tank's founder and the man who persuaded the Ford Foundation to finance the study, has been reported as saying. But how dispassionate an analysis was it? Mr. Leach was confident enough of the outcome of his research to appear at the Windscale inquiry back in 1977, testifying against the nuclear plans. What is more, his case then—at the start of his own study—sounded remarkably similar to the final conclusions of the report.

International symposium on uranium supply and demand, published by the Uranium Institute.

A low energy strategy for the UK, published by the International Institute for Environment and Development.

DESPITE THE enthusiastic picture of the video revolution often projected here, this column reflects only what is actually happening in the audiovisual world outside. Video has dominated the scene so much in recent years that my less charitable friends have suggested that I am simply trying to kill off the film industry. For them, a word of cheer—based on those reflections from the audiovisual universe: the sponsored film is alive, extremely active and very well-nourished.

Prolific centre

Recent weeks in London, which outside of the U.S. is the most prolific centre of sponsored film production in the world, yield evidence enough. A plethora of films has been crowding the screens of preview theatres across the metropolis. As a sampler, those notified which I had no time to see include two from the Health and Safety Executive (*One Step Ahead*—safety for roofers, and *John Donohoe's Factory Inspector*—profile of the job); the Advertising Association's provocative *What Life Needs Advertising?*; Abbey Life Assurance Company's film report of their 1977/78 Hunter Trial Championships of Great Britain; the National Farmers Union's *How Fares the Land?*; the department of Transport's unfortunately well-

timed cycling promotion *Free Wheeling*, and from the British Epilepsy Association and Reckitt-Lanz, *Epilepsy—A Label for Life?*

European readers in the sponsored film industry will also note with envy the record entry of 192 films for the British Sponsored Film Festival—BISFA 79—the selection screenings of which start early next month in London. The festival itself takes place in Brighton in May at which will be chosen Britain's entry for the international festival, which moves this September to Stockholm. Almost certainly, Britain's entry this year will be the highest.

The sponsored film may be prospering and have a well-nourished look; but I continue to fear that obesity could be setting in. The decline in creative sparkle has been a frequent complaint in this column and I see no signs of change ahead. The only consolation is that the bad films are fewer. Better average standards seem to come from a great levelling of quality.

The danger is exemplified in the latest offering from Britain's most consistent sponsor of high-quality film, British Petroleum. In *Pioneer Water*, BP has released another of those natural science epics superbly produced, skilfully assembled, beautifully finished. But

what emerges is a bland, non-committed examination of the ocean and its life that owes more to the coffee table encyclopaedia of wonderful knowledge than to realities with which we can identify today. Coming in the same fortnight as the start of David Attenborough's masterly television series, *Life on Earth*, comparison is inevitable.

The first of the television

all notions of creative sparkle and go for a straight slice of story telling. This is the sycophant, using actors to unfold the events that lead to a fire in an oil refinery. The components of the film serve the story with the same efficiency of the Lyons Maid production—indeed, with more consummate professionalism. Yet the capturing of some of the old spirit of cinema owes more to a sensitive depiction of people who in this film have more flesh and character. In consequence, the viewer identifies closely with the action; a rapport is established with the dramatic persona.

Yet this is only a faint reflection of the qualities which once dominated the sponsored film. Gone is the old tradition of the cinema, the real commitment and concern from film-maker and sponsor together. It is this zest and sincerity which is missing most of all: the same enthusiasm and perception which lifts David Attenborough's series into the realms of greatness.

I have admiration, however, for the Halifax Building Society in really trying to take a leap into new territory with its film *Rock Solid*. This is a pop-opera, a teenage pastiche of *West Side Story*, *Grease*, *Dialogue*, *Just Say No* and *Grease* studio set with three hip-wiggingly compositious specially written for the film and performed by great professional-

ism by a teenage cast. The lyrics, for those attuned to hearing the words in pop pieces, slip the words in "rocky" message home: "Where are we going? Where is life about if only we had some place to go and to one another, us art?" and "No one's gonna give you anything, with prices costing what they do. You'll never gonna get enough to make your dream come true."

I hate pop music. I was brought up on Cole Porter and reached my zenith of appreciation at Sebastian. Popper's *Rocky Heart* Club. But it is clear to me that when my own muscled, fat, teenagers will flutter and swoon at this run-down film about a film-maker's point of view, it is an exercise of pure craftsmanship.

Cynical view

"It's simply and it's intended as a subtle, but it perpetuates much in society which I find worrying—synthetic detached from the warmth of humanity. But perhaps the most cynical view might be that this is a real reflection of life today. Perhaps the words of its mind-bending lyrics offer a clue to the trouble—'It's the way we live, it's the way we live, I'm not like my brother, he turned out meek and mild (hooh). Clearly, those who will inherit the earth are anti-heroes of today."

FILM AND VIDEO

BY JOHN CHITTOCK

series has all of the production polish of the BP film, including even more superlative camerawork; for its music it even uses a composer—Edward Williams—who has written more scores for BP films than possibly any other person. But its overblown interest, its sheer magnificence comes from its modesty in relating life on earth to realities we can assimilate. BP's film seems to sacrifice intellectual commitment for creative self-consciousness—and that is the cause of so much blandness in sponsored films today. No one is really trying to say very much.

the death of an employee. One cannot really fault the film in accomplishing its purpose, exposing the dangers, motivating the audience. It seems churlish, therefore, to add that this somehow reflects the society which produced convenience foods, synthetic fibres and mass-produced motor-cars. It's efficient, it works, it does its job—but something rather worrying is missing. Perhaps it is the human imprint of the craftsman, the organic feeling of nature, the absence of real humanity in the clever synthesis of life.

Pulling in cash against odds

WITH MORE than £2m of sponsors money due to be pumped into racing this year (not to mention soccer, cricket and tennis combined) it is ironic to find that the sport's backers may not in some cases be getting the degree of publicity they expected.

By far the biggest single injection of prize money for a race by a new sponsor in 1978 is the £65,000 to be put up by the Cirencester-based Colt car company. Colt, part of Japan's Mitsubishi Corporation, jumped at the chance of taking the Grand National when telephoned by the recently formed British Racing Council.

Formed last year by Alan Cure, an over-trainer of jumpers and chairman of the Weather Oak printing group, British Racing Sponsorships will handle the National for Colt, which has a three-year option on the race.

Bookmakers, who contributed 25.8 per cent of £1.8m race sponsorship money in 1978, continue to pour cash into sponsorship. The Tote, in particular,

seems to be the organisation to watch at the moment. Among prominent companies, it is increasing its sponsorship the most dramatically. From an injection of £35,000 last year, the Tote will almost treble its input in 1978 with more than £100,000.

On Saturday that organisation puts a total of £18,000 towards three new races, the Tote Jackpot Chase, the Tote Double Chase and the Tote Treble Chase, at Cheltenham. Next month sees two further newcomers from the Tote in the Tote Pattern Chase and the Tote Place Pot Hurdle at Kempton. Those replace the now discontinued Yellow Pages event on the Sunbury track.

An encouraging feature of sponsorship in racing is the steady increase in races supported by small companies setting out to entertain staff or customers. Most of those events are not televised and many small courses would be in difficulties without their aid.

You're Only Young Twice, 5.10 What's New, 6.15 Crossroads, 6.30 Grand Reports, 6.50 Emeralds Farm, 7.00 Report, 7.15 Southern News, 7.30 Oscar Paterson Presents, 7.45 News, 8.00 Thames Ar 6, 8.15 The Family, 8.25 Beyond Reports, 8.35 Crossroads, 8.50 Give Us A Clue, 9.00 Give Us A Clue, 9.15 Charlie's Angels, 9.30 Room Service, 10.00 News, 10.15 Strangers, 10.30 Once in A Lifetime, 10.45 The Family, 11.00 News, 11.15 What's New, 11.30 Oscar Paterson Presents, 11.45 News, 12.00 Thames Ar 6, 12.15 The Family, 12.30 Beyond Reports, 12.45 News, 1.00 Thames Ar 6, 1.15 Charlie's Angels, 1.30 Room Service, 2.00 News, 2.15 Strangers, 2.30 Once in A Lifetime, 2.45 The Family, 3.00 News, 3.15 What's New, 3.30 Oscar Paterson Presents, 3.45 News, 4.00 Thames Ar 6, 4.15 The Family, 4.30 Beyond Reports, 4.45 News, 5.00 Thames Ar 6, 5.15 Charlie's Angels, 5.30 Room Service, 6.00 News, 6.15 Strangers, 6.30 Once in A Lifetime, 6.45 The Family, 7.00 News, 7.15 What's New, 7.30 Oscar Paterson Presents, 7.45 News, 8.00 Thames Ar 6, 8.15 The Family, 8.30 Beyond Reports, 8.45 News, 9.00 Thames Ar 6, 9.15 Charlie's Angels, 9.30 Room Service, 10.00 News, 10.15 Strangers, 10.30 Once in A Lifetime, 10.45 The Family, 11.00 News, 11.15 What's New, 11.30 Oscar Paterson Presents, 11.45 News, 12.00 Thames Ar 6, 12.15 The Family, 12.30 Beyond Reports, 12.45 News, 1.00 Thames Ar 6, 1.15 Charlie's Angels, 1.30 Room Service, 2.00 News, 2.15 Strangers, 2.30 Once in A Lifetime, 2.45 The Family, 3.00 News, 3.15 What's New, 3.30 Oscar Paterson Presents, 3.45 News, 4.00 Thames Ar 6, 4.15 The Family, 4.30 Beyond Reports, 4.45 News, 5.00 Thames Ar 6, 5.15 Charlie's Angels, 5.30 Room Service, 6.00 News, 6.15 Strangers, 6.30 Once in A Lifetime, 6.45 The Family, 7.00 News, 7.15 What's New, 7.30 Oscar Paterson Presents, 7.45 News, 8.00 Thames Ar 6, 8.15 The Family, 8.30 Beyond Reports, 8.45 News, 9.00 Thames Ar 6, 9.15 Charlie's Angels, 9.30 Room Service, 10.00 News, 10.15 Strangers, 10.30 Once in A Lifetime, 10.45 The Family, 11.00 News, 11.15 What's New, 11.30 Oscar Paterson Presents, 11.45 News, 12.00 Thames Ar 6, 12.15 The Family, 12.30 Beyond Reports, 12.45 News, 1.00 Thames Ar 6, 1.15 Charlie's Angels, 1.30 Room Service, 2.00 News, 2.15 Strangers, 2.30 Once in A Lifetime, 2.45 The Family, 3.00 News, 3.15 What's New, 3.30 Oscar Paterson Presents, 3.45 News, 4.00 Thames Ar 6, 4.15 The Family, 4.30 Beyond Reports, 4.45 News, 5.00 Thames Ar 6, 5.15 Charlie's Angels, 5.30 Room Service, 6.00 News, 6.15 Strangers, 6.30 Once in A Lifetime, 6.45 The Family, 7.00 News, 7.15 What's New, 7.30 Oscar Paterson Presents, 7.45 News, 8.00 Thames Ar 6, 8.15 The Family, 8.30 Beyond Reports, 8.45 News, 9.00 Thames Ar 6, 9.15 Charlie's Angels, 9.30 Room Service, 10.00 News, 10.15 Strangers, 10.30 Once in A Lifetime, 10.45 The Family, 11.00 News, 11.15 What's New, 11.30 Oscar Paterson Presents, 11.45 News, 12.00 Thames Ar 6, 12.15 The Family, 12.30 Beyond Reports, 12.45 News, 1.00 Thames Ar 6, 1.15 Charlie's Angels, 1.30 Room Service, 2.00 News, 2.15 Strangers, 2.30 Once in A Lifetime, 2.45 The Family, 3.00 News, 3.15 What's New, 3.30 Oscar Paterson Presents, 3.45 News, 4.00 Thames Ar 6, 4.15 The Family, 4.30 Beyond Reports, 4.45 News, 5.00 Thames Ar 6, 5.15 Charlie's Angels, 5.30 Room Service, 6.00 News, 6.15 Strangers, 6.30 Once in A Lifetime, 6.45 The Family, 7.00 News, 7.15 What's New, 7.30 Oscar Paterson Presents, 7.45 News, 8.00 Thames Ar 6, 8.15 The Family, 8.30 Beyond Reports, 8.45 News, 9.00 Thames Ar 6, 9.15 Charlie's Angels, 9.30 Room Service, 10.00 News, 10.15 Strangers, 10.30 Once in A Lifetime, 10.45 The Family, 11.00 News, 11.15 What's New, 11.30 Oscar Paterson Presents, 11.45 News, 12.00 Thames Ar 6, 12.15 The Family, 12.30 Beyond Reports, 12.45 News, 1.00 Thames Ar 6, 1.15 Charlie's Angels, 1.30 Room Service, 2.00 News, 2.15 Strangers, 2.30 Once in A Lifetime, 2.45 The Family, 3.00 News, 3.15 What's New, 3.30 Oscar Paterson Presents, 3.45 News, 4.00 Thames Ar 6, 4.15 The Family, 4.30 Beyond Reports, 4.45 News, 5.00 Thames Ar 6, 5.15 Charlie's Angels, 5.30 Room Service, 6.00 News, 6.15 Strangers, 6.30 Once in A Lifetime, 6.45 The Family, 7.00 News, 7.15 What's New, 7.30 Oscar Paterson Presents, 7.45 News, 8.00 Thames Ar 6, 8.15 The Family, 8.30 Beyond Reports, 8.45 News, 9.00 Thames Ar 6, 9.15 Charlie's Angels, 9.30 Room Service, 10.00 News, 10.15 Strangers, 10.30 Once in A Lifetime, 10.45 The Family, 11.00 News, 11.15 What's New, 11.30 Oscar Paterson Presents, 11.45 News, 12.00 Thames Ar 6, 12.15 The Family, 12.30 Beyond Reports, 12.45 News, 1.00 Thames Ar 6, 1.15 Charlie's Angels, 1.30 Room Service, 2.00 News, 2.15 Strangers, 2.30 Once in A Lifetime, 2.45 The Family, 3.00 News, 3.15 What's New, 3.30 Oscar Paterson Presents, 3.45 News, 4.00 Thames Ar 6, 4.15 The Family, 4.30 Beyond Reports, 4.45 News, 5.00 Thames Ar 6, 5.15 Charlie's Angels, 5.30 Room Service, 6.00 News, 6.15 Strangers, 6.30 Once in A Lifetime, 6.45 The Family, 7.00 News, 7.15 What's New, 7.30 Oscar Paterson Presents, 7.45 News, 8.00 Thames Ar 6, 8.15 The Family, 8.30 Beyond Reports, 8.45 News, 9.00 Thames Ar 6, 9.15 Charlie's Angels, 9.30 Room Service, 10.00 News, 10.15 Strangers, 10.30 Once in A Lifetime, 10.45 The Family, 11.00 News, 11.15 What's New, 11.30 Oscar Paterson Presents, 11.45 News, 12.00 Thames Ar 6, 12.15 The Family, 12.30 Beyond Reports, 12.45 News, 1.00 Thames Ar 6, 1.15 Charlie's Angels, 1.30 Room Service, 2.00 News, 2.15 Strangers, 2.30 Once in A Lifetime, 2.45 The Family, 3.00 News, 3.15 What's New, 3.30 Oscar Paterson Presents, 3.45 News, 4.00 Thames Ar 6, 4.15 The Family, 4.30 Beyond Reports, 4.45 News, 5.00 Thames Ar 6, 5.15 Charlie's Angels, 5.30 Room Service, 6.00 News, 6.15 Strangers, 6.30 Once in A Lifetime, 6.45 The Family, 7.00 News, 7.15 What's New, 7.30 Oscar Paterson Presents, 7.45 News, 8.00 Thames Ar 6, 8.15 The Family, 8.30 Beyond Reports, 8.45 News, 9.00 Thames Ar 6, 9.15 Charlie's Angels, 9.30 Room Service, 10.00 News, 10.15 Strangers, 10.30 Once in A Lifetime, 10.45 The Family, 11.00 News, 11.15 What's New, 11.30 Oscar Paterson Presents, 11.45 News, 12.00 Thames Ar 6, 12.15 The Family, 12.30 Beyond Reports, 12.45 News, 1.00 Thames Ar 6, 1.15 Charlie's Angels, 1.30 Room Service, 2.00 News, 2.15 Strangers, 2.30 Once in A Lifetime, 2.45 The Family, 3.00 News, 3.15 What's New, 3.30 Oscar Paterson Presents, 3.45 News, 4.00 Thames Ar 6, 4.15 The Family, 4.30 Beyond Reports, 4.45 News, 5.00 Thames Ar 6, 5.15 Charlie's Angels, 5.30 Room Service, 6.00 News, 6.15 Strangers, 6.30 Once in A Lifetime, 6.45 The Family, 7.00 News, 7.15 What's New, 7.30 Oscar Paterson Presents, 7.45 News, 8.00 Thames Ar 6, 8.15 The Family, 8.30 Beyond Reports, 8.45 News, 9.00 Thames Ar 6, 9.15 Charlie's Angels, 9.30 Room Service, 10.00 News, 10.15 Strangers, 10.30 Once in A Lifetime, 10.45 The Family, 11.00 News, 11.15 What's New, 11.30 Oscar Paterson Presents, 11.45 News, 12.00 Thames Ar 6, 12.15 The Family, 12.30 Beyond Reports, 12.45 News, 1.00 Thames Ar 6, 1.15 Charlie's Angels, 1.30 Room Service, 2.00 News, 2.15 Strangers, 2.30 Once in A Lifetime, 2.45 The Family, 3.00 News, 3.15 What's New, 3.30 Oscar Paterson Presents, 3.45 News, 4.00 Thames Ar 6, 4.15 The Family, 4.30 Beyond Reports, 4.45 News, 5.00 Thames Ar 6, 5.15 Charlie's Angels, 5.30 Room Service, 6.00 News, 6.15 Strangers, 6.30 Once in A Lifetime, 6.45 The Family, 7.00 News, 7.15 What's New, 7.30 Oscar Paterson Presents, 7.45 News, 8.00 Thames Ar 6, 8.15 The Family, 8.30 Beyond Reports, 8.45 News, 9.00 Thames Ar 6, 9.15 Charlie's Angels, 9.30 Room Service, 10.00 News, 10.15 Strangers, 10.30 Once in A Lifetime, 10.45 The Family, 11.00 News, 11.15 What's New, 11.30 Oscar Paterson Presents, 11.45 News, 12.00 Thames Ar 6, 12.15 The Family, 12.30 Beyond Reports, 12.45 News, 1.00 Thames Ar 6, 1.15 Charlie's Angels, 1.30 Room Service, 2.00 News, 2.15 Strangers, 2.30 Once in A Lifetime, 2.45 The Family, 3.00 News, 3.15 What's New, 3.30 Oscar Paterson Presents, 3.45 News, 4.00 Thames Ar 6, 4.15 The Family, 4.30 Beyond Reports, 4.45 News, 5.00 Thames Ar 6, 5.15 Charlie's Angels, 5.30 Room Service, 6.00 News, 6.15 Strangers, 6.30 Once in A Lifetime, 6.45 The Family, 7.00 News, 7.15 What's New, 7.30 Oscar Paterson Presents, 7.45 News, 8.00 Thames Ar 6, 8.15 The Family, 8.30 Beyond Reports, 8.45 News, 9.00 Thames Ar 6, 9.15 Charlie's Angels, 9.30 Room Service, 10.00 News, 10.15 Strangers, 10.30 Once in A Lifetime, 10.45 The Family, 11.00 News, 11.15 What's New, 11.30 Oscar Paterson Presents, 11.45 News, 12.00 Thames Ar 6, 12.15 The Family, 12.30 Beyond Reports, 12.45 News, 1.00 Thames Ar 6, 1.15 Charlie's Angels, 1.30 Room Service, 2.00 News, 2.15 Strangers, 2.30 Once in A Lifetime, 2.45 The Family, 3.00 News, 3.15 What's New, 3.30 Oscar Paterson Presents, 3.45 News, 4.00 Thames Ar 6, 4.15 The Family, 4.30 Beyond Reports, 4.45 News, 5.00 Thames Ar 6, 5.15 Charlie's Angels, 5.30 Room Service, 6.00 News, 6.15 Strangers, 6.30 Once in A Lifetime, 6.45 The Family, 7.00 News, 7.15 What's New, 7.30 Oscar Paterson Presents, 7.45 News, 8.00 Thames Ar 6, 8.15 The Family, 8.30 Beyond Reports, 8.45 News, 9.00 Thames Ar 6, 9.15 Charlie's Angels, 9.30 Room Service, 10.00 News, 10.15 Strangers, 10.30 Once in A Lifetime, 10.45 The Family, 11.00 News, 11.15 What's New, 11.30 Oscar Paterson Presents, 11.45 News, 12.00 Thames Ar 6, 12.15 The Family, 12.30 Beyond Reports, 12.45 News, 1.00 Thames Ar 6, 1.15 Charlie's Angels, 1.30 Room Service, 2.00 News, 2.15 Strangers, 2.30 Once in A Lifetime, 2.45 The Family, 3.00 News, 3.15 What's New, 3.30 Oscar Paterson Presents, 3.45 News, 4.00 Thames Ar 6, 4.15 The Family, 4.30 Beyond Reports, 4.45 News, 5.00 Thames Ar 6, 5.15 Charlie's Angels, 5.30 Room Service, 6.00 News, 6.15 Strangers, 6.30 Once in A Lifetime, 6.45 The Family, 7.00 News, 7.15 What's New, 7.30 Oscar Paterson Presents, 7.45 News, 8.00 Thames Ar 6, 8.15 The Family, 8.30 Beyond Reports, 8.45 News, 9.00 Thames Ar 6, 9.15 Charlie's Angels, 9.30 Room Service, 10.00 News, 10.15 Strangers, 10.30 Once in A Lifetime, 10.45 The Family, 11.00 News, 11.15 What's New, 11.30 Oscar Paterson Presents, 11.45 News, 12.00 Thames Ar 6, 12.15 The Family, 12.30 Beyond Reports, 12.45 News, 1.00 Thames Ar 6, 1.15 Charlie's Angels, 1.30 Room Service, 2.00 News, 2.15 Strangers, 2.30 Once in A Lifetime, 2.45 The Family, 3.00 News, 3.15 What's New, 3.30 Oscar Paterson Presents, 3.45 News, 4.00 Thames Ar 6, 4.15 The Family, 4.30 Beyond Reports, 4.45 News, 5.00 Thames Ar 6, 5.15 Charlie's Angels, 5.30 Room Service, 6.00 News, 6.15 Strangers, 6.30 Once in A Lifetime, 6.45 The Family, 7.00 News, 7.15 What's New, 7.30 Oscar Paterson Presents, 7.45 News, 8.00 Thames Ar 6, 8.15 The Family, 8.30 Beyond Reports, 8.45 News, 9.00 Thames Ar 6, 9.15 Charlie's Angels, 9.30 Room Service, 10.00 News, 10.15 Strangers, 10.30 Once in A Lifetime, 10.45 The Family, 11.00 News, 11.15 What's New, 11.30 Oscar Paterson Presents, 11.45 News, 12.00 Thames Ar 6, 12.15 The Family, 12.30 Beyond Reports, 12.45 News, 1.00 Thames Ar 6, 1.15 Charlie's Angels, 1.30 Room Service, 2.00 News, 2.15 Strangers, 2.30 Once in A Lifetime, 2.45 The Family, 3.00 News, 3.15 What's New, 3.30 Oscar Paterson Presents, 3.45 News, 4.00 Thames Ar 6, 4.15 The Family, 4.30 Beyond Reports, 4.45 News, 5.00 Thames Ar 6, 5.15 Charlie's Angels, 5.30 Room Service, 6.00 News, 6.15 Strangers, 6.30 Once in A Lifetime, 6.45 The Family, 7.00 News, 7.15 What's New, 7.30 Oscar Paterson Presents, 7.45 News, 8.00 Thames Ar 6, 8.15 The Family, 8.30 Beyond Reports, 8.45 News, 9.00 Thames Ar 6, 9.15 Charlie's Angels, 9.30 Room Service, 10.00 News, 10.15 Strangers, 10.30 Once in A Lifetime, 10.45 The Family, 11.00 News, 11.15 What's New, 11.30 Oscar Paterson Presents, 11.45 News, 12.00 Thames Ar 6, 12.15 The Family, 12.30 Beyond Reports, 12.45 News, 1.00 Thames Ar 6, 1.15 Charlie's Angels, 1.30 Room Service, 2.00 News, 2.15 Strangers, 2.30 Once in A Lifetime, 2.45 The Family, 3.00 News, 3.15 What's New, 3.30 Oscar Paterson Presents, 3.45 News, 4.00 Thames Ar 6, 4.15 The Family, 4.30 Beyond Reports, 4.45 News, 5.00 Thames Ar 6, 5.15 Charlie's Angels, 5.30 Room Service, 6.00 News, 6.15 Strangers, 6.30 Once in A Lifetime, 6.45 The Family, 7.00 News, 7.15 What's New, 7.30 Oscar Paterson Presents, 7.45 News, 8.00 Thames Ar 6, 8.15 The Family, 8.30 Beyond Reports, 8.45 News, 9.00 Thames Ar 6, 9.15 Charlie's Angels, 9.30 Room Service, 10.00 News, 10.15 Strangers, 10.30 Once in A Lifetime, 10.45 The Family, 11.00 News, 11.15 What's New, 11.30 Oscar Paterson Presents, 11.45 News, 12.00 Thames Ar 6, 12.15 The Family, 12.30 Beyond Reports, 12.45 News, 1.00 Thames Ar 6, 1.15 Charlie's Angels, 1.30 Room Service, 2.00 News, 2.15 Strangers, 2.30 Once in A Lifetime, 2.45 The Family, 3.00 News, 3.15 What's New, 3.30 Oscar Paterson Presents, 3.45 News, 4.00 Thames Ar 6, 4.15 The Family, 4.30 Beyond Reports, 4.45 News, 5.00 Thames Ar 6, 5.15 Charlie's Angels, 5.30 Room Service, 6.00 News, 6.15 Strangers, 6.30 Once in A Lifetime, 6.45 The Family, 7.00 News, 7.15 What's New, 7.30 Oscar Paterson Presents, 7.45 News, 8.00 Thames Ar 6, 8.15 The Family, 8.30 Beyond Reports, 8.45 News, 9.00 Thames Ar 6, 9.15 Charlie's Angels, 9.30 Room Service, 10.00 News, 10.15 Strangers, 10.30 Once in A Lifetime, 10.45 The Family, 11.00 News, 11.15 What's New, 11.30 Oscar Paterson Presents, 11.45 News, 12.00 Thames Ar 6, 12.15 The Family, 12.30 Beyond Reports, 12.45 News, 1.00 Thames Ar 6, 1.15 Charlie's Angels, 1.30 Room Service, 2.00 News, 2.15 Strangers, 2.30 Once in A Lifetime, 2.45 The Family, 3.00 News, 3.15 What's New, 3.30 Oscar Paterson Presents, 3.45 News, 4.00 Thames Ar 6, 4.15 The Family, 4.30 Beyond Reports, 4.45 News, 5.00 Thames Ar 6, 5.15 Charlie's Angels, 5.30 Room Service, 6.00 News, 6.15 Strangers, 6.30 Once in A Lifetime, 6.45 The Family, 7.00 News, 7.15 What's New, 7.30 Oscar Paterson Presents, 7.45 News, 8.00 Thames Ar 6, 8.15 The Family, 8.30 Beyond Reports, 8.45 News, 9.00 Thames Ar 6, 9.15 Charlie's Angels, 9.30 Room Service, 10.00 News, 10.15 Strangers, 10.30 Once in A Lifetime, 10.45 The Family, 11.00 News, 11.15 What's New, 11.30 Oscar Paterson Presents, 11.45 News, 12.00 Thames Ar 6, 12.15 The Family, 12.30 Beyond Reports, 12.45 News, 1.00 Thames Ar 6, 1.15 Charlie's Angels, 1.30 Room Service, 2.00 News, 2.15 Strangers, 2.30 Once in A Lifetime, 2.45 The Family, 3.00 News, 3.15 What's New, 3.30 Oscar Paterson Presents, 3.45 News, 4.00 Thames Ar 6, 4.15 The Family, 4.30 Beyond Reports, 4.45 News, 5.00 Thames Ar 6, 5.15 Charlie's Angels, 5.30 Room Service, 6.00 News, 6.15 Strangers, 6.30 Once in A Lifetime, 6.45 The Family, 7.00 News, 7.15 What's New, 7.30 Oscar Paterson Presents, 7.45 News, 8.00 Thames Ar 6, 8.15 The Family, 8.30 Beyond Reports, 8.45 News, 9.00 Thames Ar 6, 9.15 Charlie's Angels, 9.30 Room Service, 10.00 News, 10.15 Strangers, 10.30 Once in A Lifetime, 10.45 The Family, 11.00 News, 11.15 What's New, 11.30 Oscar Paterson Presents, 11.45 News, 12.00 Thames Ar 6, 12.15 The Family, 12.30 Beyond Reports, 12.45 News, 1.00 Thames Ar 6, 1.15 Charlie's Angels, 1.30 Room Service, 2.00 News, 2.15 Strangers, 2.30 Once in A Lifetime, 2.45 The Family, 3.00 News, 3.15 What's New, 3.30 Oscar Paterson Presents, 3.45 News, 4.00 Thames Ar 6, 4.15 The Family, 4.30 Beyond Reports, 4.45 News, 5.00 Thames Ar 6, 5.15 Charlie's Angels, 5.30 Room Service, 6.00 News, 6.15 Strangers, 6.30 Once in A Lifetime, 6.45 The Family, 7.00 News, 7.15 What's New, 7.30 Oscar Paterson Presents, 7.45 News, 8.00 Thames Ar 6, 8.15 The Family, 8.30 Beyond Reports, 8.45 News, 9.00 Thames Ar 6, 9.15 Charlie's Angels, 9.30 Room Service, 10.00 News, 10.15 Strangers, 10.30 Once in A Lifetime, 10.45 The Family, 11.00 News, 11.15 What's New, 11.30 Oscar Paterson Presents, 11.45 News, 12.00 Thames Ar 6, 12.15 The Family, 12.30 Beyond Reports, 12.45 News, 1.00 Thames Ar 6, 1.15 Charlie's Angels, 1.30 Room Service, 2.00 News, 2.15 Strangers, 2.30 Once in A Lifetime, 2.45 The Family, 3.00 News, 3.15 What's New, 3.30 Oscar Paterson Presents, 3.45 News, 4.00 Thames Ar 6, 4.15 The Family, 4.30 Beyond Reports, 4.45 News, 5.00 Thames Ar 6, 5.15 Charlie's Angels, 5.30 Room Service, 6.00 News, 6.15 Strangers, 6.30 Once in A Lifetime, 6.45 The Family, 7.00 News, 7.15 What's New, 7.30 Oscar Paterson Presents, 7.45 News, 8.00 Thames Ar 6, 8.15 The Family, 8.30 Beyond Reports, 8.45 News, 9.00 Thames Ar 6, 9.15 Charlie's Angels, 9.30 Room Service, 10.00 News, 10.15 Strangers, 10.30 Once in A Lifetime, 10.45 The Family, 11.00 News, 11.15 What's New, 11.30 Oscar Paterson Presents, 11.45 News, 12.00 Thames Ar 6, 12.15 The Family, 12.30 Beyond Reports, 12.45 News, 1.00 Thames Ar 6, 1.15 Charlie's Angels, 1.30 Room Service, 2.00 News, 2.15 Strangers, 2.30 Once in A Lifetime, 2.45 The Family, 3.00 News, 3.15 What's New, 3.30 Oscar Paterson Presents, 3.45 News, 4

Musée d'Art Moderne, Paris

Un Certain Art Anglais

by WILLIAM PACKER

The women too must have their turn, for it would be dangerous indeed these days to forget them, and it is good to see Philippa Encobichon given an international outing, especially so as her distinctive photographic works that mark the passage of the seasons across the landscape, sit very well, and make excellent contrast with the better-known works of Long, Fulton and Hillard—but it is really necessary to celebrate Mary Kelly's tedious narcissism, albeit at one embarrassing, mewing remove, again? And Alexis Hunter's tasteful mass-chism seems rather more threatening now than it was at the Hayward in the summer.

There are other artists whose inclusion seems, to say the least, over generous. John Stezaker has left off for now his clumsy theorising, but the collages here, though competent enough, are emphatically unremarkable while the effusions of Art and Language, the earnest, good intentions of the Artists' Placement Group, and the equally well-meant but dangerously misplaced, sentimental and perfunctory propaganda of Conrad Atkinson, provide yet more examples of that curious and worrying crisis of selection, in which the guiding principle would seem to be an overwhelming desire to fall over backwards, or flat on the face, to demonstrate a sympathy with an alien cause. Victor Burgin is another whose heart is well to the left, where perhaps it should be, but whose work is tedious, pompous and not very good. No matter that the work is boring, repetitive or inept, it seems, just so long as the artist's ideas are sound.

But all is not desperate; indeed the show enjoys a healthy balance of virtue, and it would be wrong to over-stress its shortcomings. Stephen Willats, for example, even contrives to make stylish and intriguing use of very "sociological" documentary that is so boring in other hands, all the more effectively, perhaps, for being able to adopt a somewhat ironical detachment and ambiguity in his narrative (I hope to consider his current show at the Whitechapel another time). And the show begins strongly, with a circle of slate slabs by Richard Long occupying the floor of the isolated space at the top of the stairs, I have treated Long rather harshly in the past, but this is as good a showing as I have seen by him, disciplined and effective, as are the photographic works that back up the piece, and evoke and mark his various journeys.

Hamish Fulton is another artist who works by setting off into the wilderness, but he sets up no cairns, leaves no traces, brings back no sculpture; all we are given are his extraordinary and beautiful photographs of

remote landscape, curiously impassive and ambiguous images, by which to imagine for ourselves his activity. Hung next door to each other, Fulton and Long make an impressive pair. Next comes Miss Encobichon, and then John Hillard, yet another artist to use the photograph exclusively. His work is narrative of a kind, contrived by the careful selection of his subject matter which he exploits with satisfying ingenuity, shifting perhaps the focus of the lens or altering the cropping of the composition to achieve his serial purpose.

Stephen Buckley shows four recent paintings, a little uncasual in the company but good enough. Simon Read, who makes his own cameras that bend the paper, distort the image, and pivot through a full circle, shows the strange and impressive rounded images that

come out of them; and Glen Onwim's punt sits, quietly surrealistic and oddly poetic, against the wall. There are the performance artists too, none of whom I was able to see in full stride, though I must say that Bruce MacLean is never boring. Stuart Brisley usually impressive, both of them always intelligent.

What the French will make of it all, I cannot say. The overwhelming emphasis on photographic work was, I am assured by the selectors, quite uncontrived, and should not be construed at all as being anything so substantial as a trend. The absence of orthodox sculpture, and the inclusion of so little painting, are equally misleading. The French avant-garde, such as it is, might regret the lack of intellectual rigour and political excitement, others the general lack of blood and

guts and sex. The show is very stylish, rather romantic in a quiet, bucolic way, often witty, always tasteful, most intriguingly uncontrived. For myself I regret not the kind of show it is, but only the elusion of a significant number of inferior artists.

The British Council, so good at waving our flag abroad, has not always been so careful to wave its own at home, with the result that it has too often been misunderstood and misrepresented, its role and achievement in the world but dimly apprehended by the few and quite beyond the comprehension of the many. And what goes unappreciated is all too vulnerable: the shock of surprised and hurt panic that swept through its halls some time ago, when it was seriously suggested in the Government, that the organisation was a luxury we

might well discard, in the name of economy, was matched only by the incredulity abroad that anyone, even the British, could be so self-dramagically cross.

That danger is past for the moment, but the Council is at last alive to it, and taking steps. Its Fine Arts Department Newsletter, for example, now comes through the letter-box at intervals, with number two just arrived and listing the exhibitions of British Art with which it is involved in this first quarter of the year. It might be simply that a little financial help has been given to an artist, or perhaps an international collaboration effected, a single loan exhibition put on, or a tour set up; whichever they are, 34 such shows are now current, and visiting 29 countries between them, Punch Cartoons off to Austria, The Rake's Progress, Hockney and Hingarth together, to India. It is important to know that these things go on, and the list is impressive. In Paris, at the old Musée d'Art Moderne, high on its terrace over the Seine, a substantial exhibition has just opened (until March 12, and then on to Brussels), a joint venture with ARC/Paris somewhat archly but tactfully entitled "Un Certain Art Anglais." It is a group show of work from the seventies and very mixed, though it all hangs very easily, and sometimes even handsomely, together. But it was not to claim too much on its behalf, for it represents indeed only a narrow view across the contemporary field; it is in no sense definitive and not particularly experimental or avant-garde. With only the odd exception, all of the two dozen or so artists, or groups of artists, have been around for some time and are familiar enough, at least within our cosy art world. All enjoy a certain critical or curatorial respectability. They tend, in short, all of them, to have powerful friends.

Good luck to them, of course; and though by no means all are favourites, I do admire a number of them very much. But, unfortunately, there remains a predictability in the selection that is a trifle dispiriting, a strong whiff of the stale air of a safe establishment; and the work, or rather our view of the work, suffers. Paul Waplington, for example, one of only three painters in the show, might still have a chance of developing into an interesting artist, but for the moment he is condemned to appear in every show of a certain kind simply because his impeccable working-class credentials and his honest, telling, but very decorative images, have put him aside from criticism. His pictures are quite good, but a fog of special pleading obscures them.



Hammersmith Odeon

Chic by ANTONY THORNCROFT

If any band is going to make the disco craze musically respectable it is Chic. Disco has caught the more political and academic pop observers very much on the hop because it is blatantly commercial, extremely popular, and in no way serious. It was a happy reaction to the church-like atmosphere introduced to concert-going by the big-brained groups of the early seventies.

Now, wading through the John Travolta and Bee Gees candy floss, some quite sharp groups are emerging. Boney M might be giving their accountants most work but Chic would seem to have the musical drop on them, judging by a successful Saturday night appearance at Hammersmith. Chic are out of New York and it is interesting that their sound is much more ethnic and hard-edged than the Munich-based approach of Boney M. All the money making trappings are there—the plugs for the records, the performing of a show rather than the reacting to an audience; the pretty

costumes; the dazzling lights; but by bringing the instruments into the group—Chic has two pretty girls, plus leader Bernard Edwards on bass and Nile Rodgers on guitar—they produce very attacking music. The beat from the drums and the bass, supported by a trio of violins, makes the inevitable body movements the contribution of Africa rather than of the sound engineers of Germany.

It was stand up and jig for the packed house from the start but Edwards was able to orchestrate the show so that everyone sat for the slow and seductive *At last I am free* and for the encore there was a return for *Le Freak*, the Chic hit which is currently the best selling record in the U.S. It sent the crowd home happy. If the eyes and the ears and the body were not enough to suggest that Chic can be enjoyed without cultural embarrassment, the attendance of a good many blacks confirmed that there is one pop group with enough genuine soul in them to score with a more demanding audience than Radio One.

Young Vic in the Old

The Young Vic is taking over the Old Vic—at least for six weeks from February 20. The productions by Michael Bogdanov of *Richard III*, *Hamlet* and *The Tempest*, staged under the Action Man theme, are transferring to the larger theatre after their successful run at the Young Vic. Young Vic seat prices will be charged.

It is hoped that the Young Vic and Prospect, which is now based at the Old Vic, will regularly exchange productions if either theatre is dark.

A more revolutionary development announced by the Young Vic is its receipt of £91,261 from the Manpower Services Commission to set up a Theatre-in-Education and Community Team for the year from April.



Slate Circle 1978, by Richard Long

Wigmore Hall

Marisa Robles

by DAVID MURRAY

Miss Robles gave a spirited running commentary on her programme Saturday evening. Only a harpist as good as that could afford her candour about the slowness of the harp repertoire; having all but dismissed it, she then performs it bewitchingly. Perhaps the lovely sound of the instrument has made composers think it otiose to devise ambitious music for it. Though a solo harp programme tends to resemble a guitar programme in principle—a few sterling pieces written for the instrument or for some near relative, a lot of transcriptions and the odd exciting study—its inbuilt limits are severe. The pedal-system, which frees both hands for plucking also makes only seven different notes (and their octaves) available at any given moment. Before the pedals were invented, the harp wasn't chromatic enough to prompt interesting music; with them, its bias towards diatonic chords with added notes seems to plant it unbudgeably within the Impressionist genre—but neither Debussy nor Ravel wrote a solo piece for it.

Miss Robles makes much of what there is. She has an exact and lively sense of rhythm, uncommon among harpists, and the silvery sweetness of her touch in a Handel *Pavane*, and a set of variations doubly and fully by Mozart was impeccable.

Harp transcriptions from the keyboard often sound loose and languid, but not in her hands. In some old Spanish music she allowed herself an engaging variety of colour, sensitively chosen and controlled, and she extended the spectrum brilliantly in more recent pieces. Etudes by Hasselmanns and Marcel Tournier were dazlingly executed. A new Fantasia by Manuel Buendia on themes from a large concerted work for Miss Robles did not whet one's appetite for its source; sheer virtuosity inspired better things from the dozen or so harpists, Carlos Salgado—the familiar "Song in the Night" and a witty, ingenious study in pedalglissandi, "La Desirade". Fauré's *Impromptu*, Op. 86, holds a place in the harp repertoire analogous to Chopin's *Barcarolle* in piano music. It was the centrepiece of Miss Robles' recital, and despite some passing inaccuracies she gave an immensely strong and stylish account of it. She allowed its long lines to breathe, but preserved its inner momentum; no whimsy, no witting. The decorative reticence of Fauré's musical manner made him just the right composer to write seriously for the harp—I wished Miss Robles had treated us to his "Chacalote" and "Tour" as well. A delightful evening, in any case.

St. John's, Smith Square

West Square Ensemble

by DOMINIC GILL

The West Square Electronic Music Ensemble is "a flexible unit of composers, performers and engineers formed five years ago to promote concerts in the instrumental/electronic field." They are a valuable and encouraging group; and their associated Electronic Music Workshop, founded three years before the Ensemble by the New Zealander Barry Anderson, is probably the most lively, and certainly one of the best, equipped, electronic music studios in the country available to the public.

It is the Ensemble's aim to present at least one major concert in London each year—an event sometime quite understandably in the nature of a demonstration than a concert, a display of current preoccupations and the latest work in progress. There is always a danger that such a display may seem a little monotonous, even faintly recherché, to the concert-goer coming in directly from the cold. In this respect, the WSQ Ensemble's programme on Friday night was not wisely planned: a long evening of six pieces, all of them for solo instrument electronically treated, half of them for

solo double-bass, and four of them for soloist with tape-delay system. After the first example of each kind, the excitement of hearing West Square's newly developed multi-channel tape-delay system and new ring-modular with precise frequency control rather quickly dimmed.

It was difficult to decide what purpose the flashing blue and red lights served during the performance of Stockhausen's *Solo* (here imaginatively played in an elaborate, multi-channel tape-delay version for oboe by Edwin Roxburgh)—were they signals for the performer and his assistants, or a tricky light-show? I found them, at any rate, very distracting. Roger Marsh's *Time Before* for solo double-bass was a nice exercise in using "the smallest amount of musical material and the minimum of theatrical gesture" to build a piece. If Marsh had added a further parameter of "minimum duration," perhaps the result could also have been tauter and neater; such lengthy working (17 minutes) of a simple sequence of mixed-tone notes, *molto* *ritorato* *pizzicato* and taped interludes of breathing greatly diluted its promised impact.

Barry Anderson's *Proscenium* for solo percussion, modulation, tape-delay and four-track pre-recorded tape seemed to have been made on the principle that if you mix together enough techniques and enough ingredients, something is bound to come out. A great deal did come out, much of it quite good fun, and some of it rather attractive—but all the same, as a structured piece of music, it lacked tough ligament, real spine. The bass-player, Barry Guy, also gave us *Therapsy* by Xenakis (whose name was spelled incorrectly throughout the programme)—brief and pungent, coiled with much intertwining glissandi, its climax a fine swirl of frenzy. In Edwin Roxburgh's *At the Still Point of a Turning World* for modulated and tape-delayed oboe (and more flashing lights) the clicking of oboe-keys as it passed round and round the multi-channel system was rather nice, like the clacking of a thousand grandmothers' false teeth. The rest sounded not exactly spineless—but the spine was nonetheless—as the antiquarian bookdealers say) slightly foxed.

Elizabeth Hall

Paco Peña by NICHOLAS KENYON

Paco Peña is to flamenco what Richard Stigloe is to satire: too nice by half. Peña's guitar playing is full of vivid life, by turns yearning, careering, flamboyant, derisive, exultant; but it fails to dig deep, to alert us to those elemental instincts and pressures by which some flamenco singers and dancers seem possessed.

The solo flamenco guitarist has a problem, certainly. For the guitar entered flamenco at a relatively late stage, as Peña freely admits; the art is essentially vocal, and the guitar's role even in the great days of

the *Cafés Cantantes* (in the latter half of the 19th-century, when flamenco stopped being the preserve of the gypsies and became a virtuoso art) was purely accompanimental.

Peña's defence is that "it is the guitar as a solo instrument rather than the singing which has made flamenco popular"—but, he might have added, in a somewhat diluted form, for though "the guitar derives all its inspiration from the *Conte Jondo*, flamenco singing," it can only reproduce vocal inflections very approximately. Still, such matters are

scarcely likely to have worried the large audience which crowded the Elizabeth Hall on Sunday for a concert which was being recorded by Decca. After an unfortunate broken string at the start of the evening, Peña settled down: impressive and exciting in the more extrovert items, especially a majestic *tiempos*, subtly restrained, and a vivid example of *fundidos*. But the desperate heart-searchings of the *siguiriyas* were remote and detached. Peña is in the business of entertainment and he entertains; but he leaves his audiences a long way from the roots of flamenco.

"The World's first self-focusing camera...with FREE family membership of British Airways World Arts & Adventure Club"

says Actor Manager Brian Rix, C.B.E.

"It's true. If you buy a Konica C35 AF, the world's first self-focusing camera before April 14, you also get free family membership to the British Airways World Arts and Adventure Club!" Says Actor Manager Brian Rix.

"Sounds great...but what does self-focusing mean?"

"Well, Konishiroku, one of Japan's biggest photo manufacturers has produced this Konica camera that actually focuses itself. A built-in computer reads the distance to the subject and sets the lens automatically into needle-sharp focus as you press the button. You'll never take an out-of-focus picture again. It's impossible!"

"Incredible. But where does the British Airways World Arts and Adventure Club come in?"

"Well, for a limited period, Konishiroku are giving one year's membership for you and your family absolutely free when you buy this exciting new camera. It's a new and exclusive club which offers special interest trips, action holidays and many other benefits. I'm on the advisory panel by the way."

"Great. But tell me more about this new camera."

"In addition to self-focusing, it also has fully automatic exposure control, a built-in electronic flash and it uses standard 35mm film for quality pictures."

"Is it reliable?"

"Konishiroku give you a full 3 year guarantee. That's how good it is. And there are millions of Konica

cameras in daily use throughout the world. They also give you a free roll of their Sakturacolor film when you register your camera."

"Sounds good...but is it expensive?"

"This incredible camera costs only £1750—sometimes even less—and remember, if you buy it before Easter you'll save £9.50 for the annual family subscription to the British Airways World Arts and Adventure Club."

"Marvelous, where do I buy one?"

"At any good photo shop but if you have any difficulty telephone Konishiroku UK on 01-751 6121 or clip the coupon below."

"Thanks Brian. It's just what I've been looking for."

At Brian Rix's request, Konishiroku UK are pleased to make a donation to the Friends of Normansfield Hospital.

To: Konishiroku UK, Freepost, Feltham, Middlex TW13 4BR
Please send me free details of the incredible Konica C35 AF self-focusing camera and the British Airways World Arts and Adventure Club.
NAME _____
ADDRESS _____

APPOINTMENTS

ENGLISH NATIONAL OPERA require a newly-qualified ACCOUNTANT

To assist the Finance Controller, to supervise the payroll operation and develop systems, to install certain management accounting systems and provide essential management information. An interest in the Arts would be an advantage and an ability to work on your own initiative is essential. Salary negotiable.

Applications in writing to: David Fletcher, English National Opera, London Coliseum, St. Martin's Lane, London WC2N 4ES

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3BY

Telegrams: Finantim, London FSA. Telex: 886341/2, 883897

Telephone: 01-248 8000

Tuesday January 23 1979

When the sums don't add up

THE PRIME MINISTER has on every conceivable occasion told us to keep our cool. He and his colleagues have bemoaned the selfishness of groups of workers which fail to take the wider interests of the community into account. There have been generalised warnings that big pay increases will lead to higher unemployment. But what has been signally lacking is any attempt to quantify the damage which is now being done to the economy or to spell out in any sort of detail what measures the Government might have to take if the pay round continues out of control.

Price controls

Just about the one firm measure which the Government has announced so far is the proposed tightening up of price controls, which is about as useful as shutting down the safety valve when the pressure in the boiler rises beyond the danger mark. The reason for Ministers' failure to go beyond this is presumably that the figures don't add up, certainly not before an election. It was the Governor of the Bank of England who made this clear yesterday. After pointing out that the structure of pay bargaining in the country was in need of substantial reform, he finished his speech by reminding his audience that the responsibility for the currency was "squarely within my bailiwick."

He reminded us of the contribution which control of the money supply had made to sterling's stability and went on: "This, together with appropriate fiscal restraint, has not just gained in importance in the present climate. Despite the addition to inflationary pressure that is now in prospect, there must be no loss of resolve in adhering to these now, when they are most needed." Leaving the impact on unemployment aside, it does not take a genius to envisage what would happen to financial markets if the Government were to adhere to the present 8 to 12 per cent target in the growth of the money supply with a Public Sector Borrowing Requirement

which on present plans, looks like being at least £9bn and a rate of wage inflation of, say, 12 to 14 per cent. As far as the PSBR is concerned, that already unpleasing picture presupposes that the estimated shortfall in spending of some £2bn this year is repeated next year — unlikely if inflation should accelerate quite apart from the fact that as departments get used to operating cash limits they will become more successful in spending right up to those limits.

Not only the finances of the public sector will come under increasing pressure. The private sector's demand for credit must have been rising during the industrial disruption which we have already seen and will go on rising the longer disruption continues.

By and large most parts of industry have shown considerable ingenuity in keeping production going. But production which piles up in stores, warehouses and any available open spaces causes a serious strain on cash flow and in most cases the shortage of cash can only be met by bank borrowing. It is difficult for an outsider to even guess at the extra demand for credit which is involved but the chances are that it is not inconsiderable.

Fiscal policy

As Ministers learnt after a long apprenticeship for which the country as a whole had to foot the bill — financial stability is the prerequisite of sustained and sustainable growth even at the very modest rates which we now seem to accept as given for this country. The Governor underlined that in the current climate policies directed towards the maintenance of that stability are more crucial than ever. But as he also said, fiscal policy has its key part to play. Monetary policy alone cannot do it. And what one would like to hear from the Government is just what the fiscal consequences of what we are now witnessing are going to be. If the figures as presented at present do not add up, it might well help to concentrate minds if we were given a set which does.

Carter tries fine tuning

THE President's Budget Message to the U.S. Congress was received in the markets yesterday in total calm—a calm which has been carefully contrived in recent weeks by a comprehensive series of leaks of the measures. This open Budget-making was intended both to test market opinion and to prepare public opinion for what was to come, and as a technique of Government it has worked very well.

Disappointment

In a much more important sense, however, the budget is a disappointment. This was originally intended not as a seditious for the currency markets, but as a turning point. Not for the first time, the Administration has failed to impress. On the contrary, the distrust of the dollar itself has now spread to other currencies. These are seen as either overvalued or as a result of recent upheavals, or threatened by the excessive monetary expansion which has resulted from dollar support operations, or both. Speculative interest has returned, forbiddingly, to the commodity markets.

The trouble is not so much that the budget is not sufficiently austere as in the economic reasoning which supports it. On the face of it a deficit of just under \$30bn is not very impressive; but it marks a reduction of about a quarter in real terms, and is a considerable achievement, with unchanged taxes, in a year when defence spending is rising by 3 per cent in real terms. There is for the first time under a Democratic President no increase at all in welfare spending, despite a rising case load. There is a range of real cuts in research and development programmes, employment support, and various subsidies. Despite some questionable items of a kind familiar from British budgets—for example, a substantial sale of mortgage assets, which counts as negative lending rather than funding—the cuts are on the whole honest. However, the economic message is dispiritingly familiar to

an English reader. In the manner of the preacher who enjoined his congregation to tread the narrow path between good and evil, President Carter urges that his budget is sufficiently austere to check inflation, yet sufficiently inflationary to avoid recession. This claim is neither credible nor helpful. Almost every development in the U.S. economy—in growth, employment, the balance of payments, the level of investment, and the rate of inflation—has come as a growing surprise to "scientific" forecasters in recent years; and official forecasts have on the whole been even more inaccurate than the private ones which have so disappointed their subscribers. To claim in these circumstances to know the result of a small—less than one-half of 1 per cent in G.D.—and partly financial adjustment in Federal borrowing strains credulity.

Monetary events

Even if the domestic economy were susceptible to such fine tuning, a fiscal proposal of this kind is less than half a policy against inflation. Most of the ills which the Administration is trying to fight are partly or entirely caused by monetary events; and since the autumn dollar crisis, this is more than ever true.

The November dollar-rescue package aroused temporary hopes that there had indeed been radical change in U.S. monetary thinking. However, some recent easing in rates, and some recent official statements, have damped this hope. Proposals to regulate the Euro-markets or widen the use of SDRs show a continuing preoccupation with symptoms rather than causes. The tragedy is that, as we know from our own past experience, an appropriate fiscal stance backed by an appropriate monetary policy not only works, but can work dramatically. If action is strong enough to reverse capital flows, then interest rates quickly reverse, the exchange rate hardens, inflation is checked, and confidence revives; and a cure for the dollar would greatly help other countries. We are still, unhappily, waiting.

THE BEARINGS INDUSTRY

SKF's bid to get rolling again

By HAZEL DUFFY, Industrial Correspondent

SKF CONSOLIDATED STATEMENT OF INCOME

	(K.r.m.)	1977	1976
Net sales	(Jan. 1-Sept. 30)	6,932	8,004
Operating income		344	430
Income before exchange rate differences		98	156

U.K. BEARINGS MARKET

	UK market* (£m)	UK market 1970 prices (£m)	Change on preceding year (%)
1969	75	81	+9
1970	88	86	-2
1971	92	81	-6
1972	108	92	+16
1973	140	102	+11
1974	169	98	+4
1975	170	95	-3
1976	218	94	-1
1977 (est.)	230	91	-3

* UK production less exports plus imports raised by 35 per cent to give estimated retail prices. Imports are not adjusted for stock changes.

U.K. IMPORTS OF BEARINGS FROM JAPAN

	Imports CIF (£m)	Sales value* (£m)	Market share (%)
1969	1.6	1.9	23
1970	2.1	3.1	32
1971	3.8	5.7	44
1972	4.1	6.2	50
1973	6.8	9.2	65
1974	9.3	12.6	75
1975	9.4	12.8	72
1976	11.7	15.8	72
1977 (est.)	10.4	14.1	61

* Includes sales of bearing housings. Source: British Roller Bearings Manufacturers Association

THE decision taken by SKF to cease producing bearings at its plant in Irvine, Scotland, is the latest and most dramatic in a series of moves designed to bring its British operation into profit. In the past few years, Swedish-owned SKF has shed 1,500 employees in the UK to leave it with a workforce of 3,500. The rationalisation programme involved the closure of its factory at Luton, and the transfer of production to nearby Sandon, while the workforce was also slimmed down at Irvine. But the latest move—involving the loss of 600 out of a total 800 jobs left at Irvine—is destined to involve enforced redundancies for the first time in SKF's UK history.

It is an indication of the state of the bearings market in the UK, and of SKF's position in that market in particular, that the group is prepared to make a move which could damage its image in the eyes of its British employees.

Since the start of the recession following the 1973 oil crisis, the UK bearings market has fallen progressively in value terms. In 1978, manufacturers estimate that it fell by between 3 and 5 per cent.

Vulnerable target

The reason for the decline is a combination of factors. The first is that industrial production has been pretty well stagnant. Since bearings are an essential component in so many areas of manufacture, it follows that demand must reflect the state of industry generally. Secondly, in the automotive and domestic appliance industries in particular—both very important customers of the bearings industry—Britain has become an increasingly vulnerable target for imports. In time, this will have a growing effect on the replacement market, which, although much smaller than that for original equipment manufacturers, is also more profitable.

The third factor has been penetration of the bearings market by Japanese imports, added to in the past couple of years by the setting up in this country of a production unit by the Japanese-owned NSK.

The second factor apart, the market for bearings in the rest of Europe has suffered from the same external factors as the UK, while the American market—although more buoyant from the point of view of the level of industrial activity—has similarly been subjected to Japan's successful emergence as one of the world's leading producers of bearings. In short, the bearings industry over the past decade has become one of the most glaring examples of

over-capacity, creating fierce competition, low margins (and very often losses), and an uncertain future for some of its participants.

Much of the industry's frustration has been focused on the Japanese. In the end the European manufacturers decided to take concerted action, and a charge that the Japanese were dumping was taken to the European Commission. The Commission levied a 15 per cent provisional anti-dumping fee on the Japanese, but before its investigation was completed, the Japanese said they would put their prices up by 20 per cent. That was 18 months ago, and the consensus of opinion in the industry is that they have largely complied with that. But, say the manufacturers, the Japanese have certainly not adjusted their prices to reflect the appreciation of the yen.

In the meantime, the Japanese have decided to appeal against the provisional charge, claiming that they were not dumping and asking for repayment of the levy. The case has now gone to the EEC Court in Luxembourg, where a final decision was taken earlier this month. A decision is expected around April.

Interesting though the verdict will be, the feeling among European manufacturers is that the Japanese threat at least has stopped growing. A prime reason undoubtedly is the hammering that the Japanese industry has taken over the past couple of years. For example, NTN, one of the four big Japanese bearings companies, lost ¥30m in the first half of last year. In the previous full year, it lost ¥364m, and most of the improvement at the interim was accounted for by sales of land and buildings. Koyo meanwhile has recently disclosed a loss of ¥3,34bn, declaring exports to be down by 28 per cent and warning that the dividend might be passed up. In November, the group announced a complete reorganisation of its marketing operation.

The earlier success of the Japanese was based on manufacturing being concentrated on high-volume bearings. Very efficient manufacturing operations, backed by cartels which allocate production between the companies and organise exporting, have fired the American and European manufacturers into intensive marketing efforts that were not necessary before the Japanese came on to the scene. But it follows that mass production will prove to be an early victim of a downturn in markets, and this the Japanese have experienced both in their home and export markets. Added to this has been the problem of being competitive with an appreciating currency.

If the threat from Japan has lessened, however, it has come too late to prevent damage to

the European industry. In the UK, for example, the Japanese hold only 6-8 per cent of the overall market, but their share of the large metric ball bearings market is calculated to be more than half.

High-volume business

The Japanese onslaught has had its effect on all producers, although it has been less pronounced on a company like Timken, which is the world's biggest manufacturer of tapered roller bearings. Timken, whose European operations are located in Britain and France, recently announced a satisfactory profit.

Generally, those companies in the high-volume business, which means SKF in Europe in particular, have suffered most from the combination of depressed markets and Japanese (and to a lesser extent, east European)

competition. SKF makes a huge range of bearings — it offers 20,000 variants, a range which has been cut down from 50,000 over the past few years. But it is the high-volume business which is its bread and butter. Margins are low currently, or non-existent, but this production carries a large part of the overheads of a multi-national organisation.

SKF is the world's largest bearings company. In Europe, it is market leader in Germany, Italy, Scandinavia, and perhaps also in Spain and Benelux. It has manufacturing facilities for bearings in Sweden, Germany, France, Italy and the UK, plus a 25 per cent holding in Spain, as well as plants in the U.S. and the Third World (it is particularly strong in South America).

Five years ago, the decision was taken to rationalise European production on the basis of allocating certain types of bearings to particular plants. Known by the unwieldy name of Global

Forecasting and Supply System (GFSS), it is based on computerised forecasting of sales located from offices in Brussels. The system has taken four years to introduce, and before setting out, discussions were held with governments and unions in the producer countries to guarantee that there would be no profit or volume transfer between plants.

GFSS, says SKF, would have already proved itself a winner if its introduction had not coincided with three years of recession. Outside the group, there is some suspicion that an operation "centred" in Brussels (itself a reflection of the fact that Gothenburg, SKF's group headquarters, is not the most convenient location from which to run a worldwide operation) is too remote from markets and that pricing has not always been sensitive enough.

In spite of the years of recession, however, SKF can claim that productivity has been rising by about 2 per cent annually in recent years. The UK is an exception and productivity, particularly at Irvine, is considered to be unacceptably low. Market share in the UK has fallen below 20 per cent (roughly the share SKF aims for in most markets), although in the U.S. it has only around 10 per cent. By ceasing bearings production at Irvine, SKF intends to concentrate all UK production at Sandon, and to return to profitability in a couple of years.

SKF's problems in Britain are due partly to the fact that in Ransome, Hoffmann, Pollard (RHP), the only UK-owned bearing manufacturer, it is up against a strong indigenous producer. It faces a similar situation in France (where its subsidiary also made losses in 1977-78) and where the strongest competitor is SNR, a subsidiary of the Renault group. Of SKF's five European manufacturing centres, only two, in Germany and Italy, were profitable last year, although the Swedish losses were mainly due to the group's steel-making activities rather than bearings.

RHP went through much the same rationalisation process that SKF is now undergoing in the UK, but at an earlier date. Significantly, SKF in 1969 was interested in purchasing Ransome and Matties, one of the companies that went into RHP and believes that its experience in the UK would have been different had it been successful.

RHP is somewhat less exposed to the high-volume market than SKF. RHP's recently announced profits nevertheless reflected the state of the markets. In 1977-78, its bearings division made £2.0m compared with £3.4m the previous year. As the leading supplier to the British market, the group managed to maintain its market

share in the face of intense competition. In margins suffered appreciably.

RHP, along with other firms in the UK, believes that it must now concentrate on obtaining higher prices. This probably reflects the fact that Japan is seen to be a slightly lessened problem, and a slightly more optimistic note for the current year was expressed recently by RHP's chairman, Mr. John Eccles.

Britain has the smallest production of SKF's five European centres. Sweden ranks fourth in the league, but there is no doubt that big wage increases in Sweden have been taking their toll in SKF's base country, while substantial investment in highly automated new plant in Gothenburg has been unable to yield the planned returns because demand has been too low.

Britain is not the only country where jobs have been lost. Some 14,000 jobs have disappeared in SKF over the past five years. In a recent interview, Mr. Maurice Sahlin, SKF deputy managing director, claimed "efficiency is now at an acceptable level in most countries."

Mr. Sahlin says SKF started 1978 under far more favourable conditions than it entered 1977. In Europe, the two countries expected to make the best returns are again Germany, which through historical accident is by far the biggest of the European subsidiaries, and Italy (where SKF's share is well above average for the group). SKF has other interests in steel (responsible for a good proportion of the Swedish subsidiary's recent losses) and rolling tools, notably Sheffield Twist and Drill.

Necessary balance

SKF is not alone in diversifying. In 1977-78 RHP made almost as much profit on a much smaller turnover from electrical components as it did from bearings. Diversification is seen as a necessary balance in the light of continued uncertainties in bearings where, too many producers chase too few customers.

Efficient production methods and aggressive marketing are essential requirements for survival of manufacturers in an increasingly competitive market. In the meantime, SKF's action at Irvine is perhaps the final determined attempt to put its UK plant on a footing where it can hold its own along with other parts of the international group.

MEN AND MATTERS

On the map—and off again

The political see-sawing in Rhodesia is causing dizziness and confusion—not least among publishers. A confidential memorandum sent out last month to all schools by the Chief Education Officer in Salisbury has led to the withdrawal of textbooks daring to mention the name "Zimbabwe." Foremost among the culprits is "An Atlas for Zimbabwe." Previously it was entitled "An Atlas for Rhodesia," and was used in every school; kept to be up with events, publishers Collins-Longman did a complete revamp that would have satisfied the most ardent black nationalist. "We were expecting independence at the end of last year," I was told by the educational division of Collins in Glasgow.

The atlas was printed by the effectively independent subsidiary in Rhodesia (or whatever one chooses to call it). But the order from chief education officer K. B. W. Napier says that headmasters must not buy books speaking of Zimbabwe, and should take away from pupils any that do. Another casualty is a standard geography book published by Edward Arnold, and recently up-dated.

The edict will scarcely commend itself to Bishop Abel Muzorewa and other black ministers in the transitional government. To add to the publishers' specialised headaches, the country is due to be called Zimbabwe Rhodesia after the proposed elections in April.

New signal

ASLEF has liquidated Sir Kenneth Cork's plans for a little joint to Liverpool Street Station on Thursday. The Lord Mayor was to name a locomotive the "Great Eastern," and just to confirm that the event still had a green signal I telephoned



"Yes, he did give me a tip—he said 'Don't panic!'"

British Rail yesterday afternoon. "Oh, yes," I was assured. "Sir Kenneth will be on the platform."

An hour later a crestfallen spokesman telephoned back: "Sorry, the Lord Mayor will not be there after all." The drivers had just announced another Thursday special.

Paws for thought

Ever conscious of its duty to the readers, a magazine called Big Farm Weekly has evolved a new way to rid the EEC of its milk mountain: we should all keep more cats. An average tabby laps up an estimated 46 litres of milk a year, assuming it has set before it good saucerful every morning. Indeed, the Ministry of Agriculture says that 6 per cent of all milk produced in Britain is consumed by domestic cats.

Purring with pleasure at its own arithmetic, Big Farm Weekly proclaims that a mere

20.1m extra cats in Europe would dispose of the entire EEC surplus production of 9bn litres a year. Expressed the other way around, 22.4 cats are needed for every thousand litres of annual surplus milk.

Only one doubt struck me on reading this breath-taking stuff: could fresh milk be distributed to all those miaowing pets, and if not, will they deign to take reconstituted supplies from the powder mountain? A London organisation, the Feline Advisory Bureau, was reassuring: "Cats are not keen, but they will get used to it if you offer them nothing else."

Knockout sponsor

What, one might ask, have filing cabinets to do with boxing? The question is prompted by the rather odd news that Twintock UK, hitherto associated with pencils rather than the martial arts, is sponsoring this year's Amateur Boxing Association finals to the tune of about £8,000.

Managing director Brian Holland is unabashed by sarcastic suggestions that the championships will somehow promote a boom in carban paper. Perhaps, he implies, they will.

"We sponsored Chelsea football club. But support for that was too localised," he says. "Motorbike sports—too specialised. The boxing will be televised by the BBC all week."

Happy returns

To boost sales, the Argentine lottery board announced recently that tickets would no longer be given to agents on a sale-or-return basis. Any the agents failed to dispose of they would have to buy themselves.

The sellers bowled in protest, and none louder than Edward Bustos, 31, of Buenos Aires. Now he has just won the Argentine equivalent of £1m—with one of the tickets he could not hand back.

tunities Commission investigation "of the utmost vigour" into some curious allegations made in a television programme filmed at the Cadbury factory gate at Bourneville last week. It was, inter alia, alleged that when the women had struck they received no support from the Transport and General Lorry Drivers. And one picket suggested the women were only in it for "pin money" anyway.

All in all, says the strident Joseph Egerton, secretary of the group, "a good indication of the total disregard for women's rights displayed by the TGWU."

"There are problems with both employers and trade unions when it comes to women," said a spokesman for the Commission—evidently well-used to the lingering effects of the sex war, as it used to be called: "In fact we are at the moment looking at discrimination in a particular trade union with a view to announcing a formal investigation."

It is not apparently the TGWU, which has rather a good name in the Commission for twice successfully championing women members in the Appeal Court, something only undertaken by one other union, ASTMS, which failed. And one of the commissioners is a certain Marie Patterson, women's officer of the T and G.

Strike claims

Making political capital while the trains strike, the Bow Group is calling for an Equal Oppor-

Observer

Give your secretary more time to be your secretary.

The Imperial 5000 electric is very versatile — its unique type elements can be rapidly changed at will to provide 20 different type faces. And 10 or 12 pitch spacing is available at the flick of a switch.

It is faster, too, because it incorporates an instant error correction device.

Add to this an inbuilt reliability because of its high engineering standards and the backing of a network of Imperial service specialists.

All of which means that your secretary will have more time to be your secretary.

A 5000 brochure and an independent report on typewriter investment will be gladly sent on request.



Imperial TYPEWRITERS
IMPERIAL BUSINESS EQUIPMENT LTD.
ST. NICHOLAS CIRCLE, LEICESTER, LE1 4LE.
TEL: 0533 50481. LONDON OFFICE: TEL: 01-405 0133

Mideast peace: a treaty on quicksands

BY ROGER MATTHEWS, Cairo Correspondent

IF A peace treaty between Egypt and Israel is signed within the coming weeks it is now fair to assume that it will owe more to the personal political imperatives of the Presidents than to any new depth of commitment or understanding of a durable solution to the Middle East conflict.

If the treaty is not signed, and some increasingly serious doubts are beginning to be expressed, it will almost certainly be because President Carter and President Anwar Sadat have at least temporarily given up hope of coming to an accommodation with the Israeli government of Mr. Menachem Begin. They might conclude it would be more dangerous to proceed with an agreement that contained the potential seeds of its own destruction rather than to claim the possibly transient political glory of the first-ever settlement between Israel and one of its Arab neighbours.

Sincerity

The choice for both men is hazardous and every effort will be undertaken to avoid having to make it. President Sadat, even in the darkest days since his visit to Jerusalem 14 months ago, has never publicly lost his characteristic Egyptian optimism and only the most cynical retain doubts about the sincerity of his intentions. For President Carter, the September summit meeting at Camp David with Mr. Sadat and Mr. Begin did more for his public opinion poll ratings than any other single event since he came to the White House. He is naturally concerned not to let that supposed triumph slip through his fingers.

Yet both men must be acutely aware that the pace of events in the wider Middle East region is bringing other vital, if unpredictable, pressures to bear, and that at least half the

assumptions of the Camp David agreements are lying in tatters.

Camp David produced two documents of which the first—a Framework for Peace in the Middle East—was considered by Mr. Carter and Mr. Sadat to be the basis on which the second document, the outline peace treaty between Egypt and Israel, would be built. As President Sadat had said when he addressed the Israeli Knesset 10 months previously: "I wish in all sincerity to warn you... First, I have not come here to you to seek partition. Later he added: "I tell you there can be no peace without the Palestinians. It is a grave error of unpredictable consequences to overlook or brush aside this cause."

From the outset, Egypt and the U.S. intended that the Camp David "framework" document should ensure progress on both issues in tandem with the bilateral peace treaty—the technical jargon being "parallelism" or "linkage". Israel, however, insisted that the two documents should be treated separately and has made little effort to disguise its intention of securing a deal with Egypt without any other meaningful strings attached, or at worst such strings as would not affect its own definition of its "national security".

Since the outset, Mr. Begin has offered Mr. Sadat almost every inducement that Egypt, as an individual nation divorced from broader Arab commitments, could offer—essentially, the return of all Egyptian territory occupied during the 1967 war. Additionally, and under strong U.S. pressure, Mr. Begin agreed to a plan whereby the limited self-rule plan he had advanced earlier for the occupied West Bank of the Jordan and the previously Egyptian-administered Gaza Strip. The latest scheme would provide for elections in the occupied territories leading to the creation of a Palestinian

authority that would exercise powers still to be negotiated.

Israel has agreed that it will pull back its military forces into certain defined locations, will disband its military government, and will negotiate on the final status of the West Bank and Gaza, to be decided by the end of a five-year transitional period. The future of east Jerusalem, which Israel annexed after occupying it in 1967, was left for another day because the two sides differed so radically.

American officials believed that given some goodwill and Israeli moderation there was a good chance that Jordan (which is repeatedly mentioned in the Camp David accords), together with the Palestinians living under occupation, could be persuaded to participate. Syria, it was recognised, would probably not find the formula immediately tempting but with the U.S. suggesting privately that what Egypt had achieved on the Sinai, Syria could later repeat on the Golan Heights, there was optimism that Damascus might eventually come to recognise the force of the process.

Opposition

Hope of tempting the moderate pro-Western King Hussein into negotiations has now almost totally evaporated. Worse still, from the American view, is the astonishing speed with which Syria and Iraq have moved towards a reconciliation that could even lead to full union. This, in turn, will ensure Jordan's absence from the negotiations and must cause Saudi Arabia further anxieties on top of those already aroused by the continuing crisis in Iran. The 21-nation Arab summit meeting held in Baghdad had already confirmed the breadth of opposition to the Camp David documents as a sound basis for

securing a just and comprehensive peace. In Baghdad the most radical and rejectionist status, which had all along opposed President Sadat's unilateral peace efforts, scored a victory that would have been unthinkable before Camp David and which only slowly came to be understood in the rest of the world.



Faced with such widespread hostility, the U.S. State Department and Egyptian officials have turned more emphatically towards the Palestinians living on the West Bank and Gaza, convinced that they had to be offered more positive incentives in order to give the autonomy plan any chance of success.

Egypt is proposing, and Israel is still refusing, the setting of a date for elections on the West Bank and Gaza and for the establishment of a Palestinian council in order to provide the vital "linkage" with the peace treaty. Egypt also says that it will not exchange ambassadors until that has happened.

However, it is now not so much a question of "linkage" but of linkage to what. The mayors and other leading Palestinians in the West Bank and

Gaza are generally so hostile to the Camp David agreements and the subsequent interpretations put on them by Israel that even the most moderate would be reluctant to take part in the elections. Some people might be found who would stand for election—perhaps a few of the mayors would do so along in order to preserve the financially influential positions they hold—but the chances of an elected authority having the backing of the majority of the public appears remote.

And the basic reason for this attitude which comes through time and again in conversation is that Mr. Begin has far more credibility in the West Bank, Gaza and most of the Arab world than either Mr. Sadat or Mr. Carter. When the Israeli Prime Minister says he will never permit a Palestinian state or entity to be formed, he is believed. When he says that Israel has a right to establish Jewish settlements in the occupied territories it is believed that he will continue to exercise that "right".

It is still something of a jolt for the non-participants to hear a senior Israeli official close to Mr. Begin explain that Israel is making a great sacrifice by not extending its sovereignty over Judea and Samaria (the biblical term for the West Bank) to which it has "an exclusive right", but for those living in closer proximity to the problem it evokes no surprise. The same official insists that Israel will never agree to remove its settlements in the West Bank or Gaza, and it does not even need to be said that the twin rings of housing and apartment blocks that are being completed on the strategically important hills around Jerusalem are also a statement of military intent.

As the Camp David possibilities in the West Bank have seemed to recede, so Mr. Sadat has urged that the Gaza Strip

should show the way and that the autonomy plan should first be put into operation there. "There are no basic differences between us and the West Bank," says the mayor of Gaza, Mr. Raghad al-Shawa. "We generally agree on our attitude to Camp David and about five weeks ago I wrote to President Sadat pleading with him not to sign the treaty with Israel. Initially, after Camp David was signed, I was hopeful. But then Mr. Begin began to sabotage things. If there had been assurances that the Israeli settlements would go, and that we would have control over our own land, people would have reacted more positively."

Less moderate

The mayor added: "Mr. Begin, with his interpretations and his actions, leaves no room for anything. In other parts of the world autonomy might lead to self-determination, but not here. It would merely be a different name for Israeli occupation and by our participation we would be legitimising it." Others, younger than the mayor and less moderate, are content to wait knowing from their history books that empires are built and crumble. Nowhere more so than in the Middle East, and that time and Arab numbers are on their side. "This was an Arab-Israeli dispute but soon it will become Moslem against Jew," said one of them.

And so the Camp David circle would seem to be complete, with Mr. Begin now claiming that it is absurd of the Americans and Mr. Sadat to demand a date for elections on the West Bank and Gaza when there is no-one with whom to negotiate the powers that the Palestinian authority should exercise. Talks on defining the status of the Palestinian body are due to begin a month after the

Egyptian-Israeli peace treaty is signed and would, according to Camp David, include Israelis, Egyptians, Jordanians and representatives of the Palestinian people. It is generally agreed that should those negotiations ever start, they would be at least as difficult as those which have so far prevented a peace treaty between Egypt and Israel being signed.

Against this difficult background Mr. Alfred Atherton, the special U.S. envoy to the Middle East, has in the past few days been seeking to find a basis for renewing the negotiations that had failed to produce agreement on a peace treaty by the December 17 target date set at Camp David. Although usually described as "technical" at least one of the issues being discussed by Mr. Atherton goes right to the heart of Egypt's dilemma: its relations to the rest of the Arab world.

Egypt is demanding a change to Article Six of the draft treaty, or at least an accompanying side letter which would make clear that its obligations to Israel did not take precedence over its defence commitments to other Arab countries. Israel's negotiators say any such interpretation would make nonsense of the whole treaty as it would allow Egypt to renege on the agreement the moment Israel responded to "Arab aggression." Mr. Meir Rosenne, Israel's legal expert who has attended every negotiating session with Egypt since the end of the 1973 war, says that no Israeli Cabinet would ever agree to a change in Article Six or to an accompanying interpretative letter. In Egypt, senior officials emphasise that the treaty cannot be signed without a change. It is an indication of the verbal gymnastics involved that Mr. Atherton, accompanied by the State Department's legal adviser, Herbert Hansell, appears now to be attempting something

which has defeated many diplomats over the years—a definition of the word "aggression."

But Article Six and the "linkage" issue are only the outward signs of a deeper malady that President Sadat though he had cured with his trip to Jerusalem. He never tired of saying that 70 per cent of the Arab-Israeli dispute was psychological. By making the very Arab gesture of going to his enemy's house he believed that Arab and Jew would quickly find common purpose in establishing a just peace. This same appeal to the heart, to agree on an end to killing, was what President Carter appears to have used to greatest effect at the eleventh hour during the Camp David talks. And it is important to remember that only at Camp David, when the three leaders were together, has any substantive progress been made.

Satisfaction

Hence Mr. Carter's latest offer to hold another summit conference if that proves to be the only way out of the present crisis. However, he faces a rather changed situation, not least in his relations with the Israeli Government. The crisis in Iran has robbed Israel of a sympathiser but has also weakened U.S. status in the region. It is not necessary to scratch much below the surface in Israel to find some perverse satisfaction at President Carter's difficulties, a feeling that stems from what is seen as the Administration's very pro-Egyptian stance. Nor do you have to listen hard to come across the argument that Iran, and perhaps the threat to Saudi Arabia, proves again that Israel is the only sure and stable ally that the U.S. has in the Middle East to help protect American interests.

Engineers and design

From Mr. I. Baillie
Sir, There seems to be a tendency when promoting the interests of engineers, to denigrate other professions in terms of capacity for successful management.

The question is not whether the engineer should be a manager, but whether, more successfully, managers should have had some engineering training. Being a good engineer does not necessarily make a good manager and, as many companies have found to their cost, good design is not the only factor in creating a healthy and successful company.

As a scientist with a slight training in chemical engineering, who later turned to law and particularly patent law, I can assure Mrs. Woolford (January 17) that it can be very difficult to train a bright engineering student the elements of legal thinking including patent practice. It can equally be difficult to teach him some of the more important aspects of accounting, which involve value judgments. If it is common knowledge that engineers form 90 per cent of top management in the United States, it is equally common knowledge that the proportion of lawyers in top management in the United States vastly exceeds that in Great Britain. Are possibly legal skills more relevant to management problems than engineering skills?

A reading of financial and business reports from the United States indicates that the success of U.S. management lies as much in marketing and sales skills and in skilful use of finance measures as in application of engineering. Looking at a list of 100 top executives of U.S. corporations, 20 came out of marketing and sales, 17 out of finance, eight out of legal, 25 out of "administration" and 30 out of a combination of technical, production and operating.

It would seem, therefore, that simple infusion of more engineers into British management is not necessarily the way to success, although the more technical background for British managers is certainly desirable.

Perhaps, indeed, it would be more desirable to have a greater number of lawyers among top managers in the UK.

Iain C. Baillie
20, Chester Street, SW1.

Nuclear power

From the Director, Central Planning Unit, National Coal Board
Sir, The article by John Lloyd on January 12 misrepresents my views on the future of nuclear power to an extent that Mr. Avery of British Nuclear Fuels January 27 believes that the National Coal Board has proposed "the abandonment of the present modest plans for the future expansion of the nuclear industry."

This is not the board's position. Our view, which we have stated on many occasions, remains that the coal and nuclear industries can be developed in an entirely complementary way. Although we are concerned that there should be sufficient modern coal-fired power station capacity available to burn the coal which we are

Letters to the Editor

planning to make available towards the end of the century, we believe that this can be fully compatible with a continuing nuclear programme. In striking the right balance of course we have realistically to take account of the inevitable constraints, including the rate at which nuclear power capacity can be introduced, bearing in mind the long lead-times involved—but this is very far from proposing the abandonment of the nuclear programme.

M. J. Parker
National Coal Board,
Hobart House,
Grosvenor Place, SW1

Moving to Gatwick

From the Chairman, Archibald Kenrick and Sons.
Sir, Your paper of January 11 contains references about two different airlines, Air Canada and Iberia, and possible moves to Gatwick and the resultant future.

Given that somebody has to move to Gatwick because Heathrow's capacity cannot handle more traffic, is not the fairest, and most practical solution to follow the principles operating in New York? That is that long-haul, overseas flights go to and from Heathrow, while all short-haul inter-European flights use Gatwick.

Yes, there would need to be much-improved communications between the two airports and also into Central London from Gatwick. Yes, it might mean increased overheads, and so on. But if we have no choice but to make a change of some sort, then let's stop messing about and look for the best solution, and I suggest this might be it.

M. J. Kenrick
Archibald Kenrick and Sons,
P.O. Box 9, West Bromwich,
West Midlands

Widening cracks

From Mr. P. Dow
Sir, Mr. Crayford enquires (Jan 15) whether the action of the present Government (NCGW) should not be referred to the Monopolies Commission. One might as well ask whether the union should not be reported to the European Commission.

Article 85 of the Treaty of Rome by which we are bound, prohibits agreements and concerted practices which are likely to affect trade between member states—such as the strangulation of docks. Article 86 forbids any use of a dominant position in the Common Market in so far as it affects trade between member states—such as stopping companies from meeting their import/export obligations. Like some of the recent suggestions of the leader of HM Opposition (taxing short term strike benefits, subsidising secret union ballots), such ideas serve to thicken rather than fill in the cracks widening beneath our feet.

Few can doubt that the trade union movement should never have been allowed to grow into the industrial Dutch elm disease it has become. It is not that the unions might take over the country. They cannot run themselves. It is that they have become an unmitigated source of misery.

The trade unions should be dissolved and their officials put out to grass. The vast assets

they have accumulated should be redistributed among their members. Additional compensation might need to be paid. Having allowed the unions to wake such a nuisance of themselves, we must face up to the cost of buying them out. This could prove exorbitant, but will be as nothing compared to the cost of forever trying to hvy them off.

Thereafter the right to strike should be sensibly regulated and limited to the private sector, providing an additional incentive to denationalisation and to graft sum the monopolist sector. Picketing should be treated for what it is: an act likely to cause a breach of the peace and outlawed.

Thus we could show that, having given birth to the industrial revolution, we were also, belatedly, able to control it. Where is the politician not in a state of such rabbit like thorn vis a vis imagined electoral sloats as to be able to proclaim and pursue such salvation?

P. S. W. Daw
Frozfield House,
Frozfield, Eversholt,
Milton Keynes, Bucks.

Stamp duty on house prices

From Mr. A. Newton, MP and Mr. J. MacGregor, MP
Sir, "Men and Matters" column (January 12) was entirely right to draw attention to the effect of house price inflation on the yield of stamp duty on house purchase. The £15,000 starting point for this tax is indeed absurdly low, so that it has become a real burden, on many purchasers who cannot possibly be described as wealthy.

The column was however entirely wrong in suggesting that "Conservative politicians have kept silent" about this. We, for example, sought to amend the 1974 Finance Bill to increase the present figure when it was first established, and have participated in other efforts to get it raised since then.

The most recent of these was on the 1978 Finance Bill. At the specific request of the Conservative front bench, the issue was in fact one of the very few chosen for discussion on the floor of the House, rather than in Standing Committee—a clear signal of its importance attached to it. An official Conservative proposal to raise the threshold from £15,000 to £20,000 was both debated and pressed to a vote, though unfortunately defeated by a Lib/Lab combination.

Incidentally, your columnist need not even refer to Hansard. He will find a report on page 10 of your paper's issue of May 17, 1978.

Tony Newton,
John MacGregor,
House of Commons, SW1

Insuring the contents

From Mr. R. Harrington
Sir, Your article of January 12 on the new structure of premiums to be charged by Commercial Union on household contents policies shows just how expensive this sort of insurance is becoming. Is it possible for insurers to offer such policies with an excess of say £50 or £100 along the lines of motor insurance policies? Many claims are

for relatively small amounts arising from accidents which are far from being the remote contingency against which one normally wishes to insure but the all-too-predictable incidents of everyday life. We all have to make provision for fair wear and tear; many would be quite capable of coping with the odd small accident.

I would suggest to Commercial Union and other insurers that a policy with an excess and a suitably reduced premium would be very popular. It would also, save their claims departments a lot of effort over trifling sums.

Richard Harrington,
27 Oxford Street,
Woodslock, Oxon.

European patent applications

From Mr. B. Fisher
Sir, Mr. Duncan (January 16) is right to draw attention to the need for copies of published European patent applications to be readily available in the libraries of at least our major industrial cities.

European patents are granted by the European Patent Office in Munich and, where the UK is designated, have, within the UK, the same effect as UK national patents. It is important to remember that from the date of publication of the European patent application, certain monopoly rights commence, provided a European patent is subsequently granted (and this may take another two years or more) and provided the claims of that application are available in English. British industry should therefore have the widest possible access to published European patent applications, not only so that they may follow the latest technological developments, but also so that they may be put on notice of the creation of a monopoly which may in due course interfere with their own development and manufacture.

As there is virtually no difference between the legal effect of a European patent (UK) and a UK national patent, and such legal effect can date from the date of publication of the application, it does seem a little odd that one is to be widely available, and the other point in Central London.

Bernard Fisher,
35, Sydenham Road,
Croydon, Surrey.

Useful decimal diameter

From Mr. C. Wilson
Sir, Your correspondent's remarks on the usefulness of a decimal penny piece in weighing small amounts (January 19) prompts me to write to say that this coin is valuable in other directions. While we all remember that with the old Ordnance Maps of one inch to one mile (scale 1:63,360) an old half-penny piece had a diameter equivalent to one mile, it is useful that upon the change of scale to 1:50,000 the decimal penny piece has a diameter almost exactly equal to one kilometre.

C. F. Wilson,
Chamberlain and Willows,
Church House,
Ironmonger Lane, EC2.

Today's Events

- GENERAL**
UK—The Prime Minister addresses TUC Industrial strategy conference on electronics, Congress House, London. One-day national rail strike.
- The Henry Plumb, president of the National Farmers' Union, opens the Union's annual conference, Central Hall, Westminster; Mr. Gordon Richardson, Governor of the Bank of England, is guest speaker at NFU dinner, London Hilton.
- Dr. David Owen, Foreign Secretary, at International Anti-Apartheid meeting, Central Hall, Westminster.
- The Henley Centre for Forecasting conference on investment markets—forecasting to 1984, at Carlton Tower Hotel, SW1.
- Senich Whisky Association statement on industrial trends.
- Public inquiry opens in Liverpool on Merseyside County Council's application to increase tolls in the two Mersey tunnels. Institute of London Underwriters' annual meeting, 40 Lime Street.
- Sir Kenneth Cork, Lord Mayor of London, attends presentation of Mace to the Company of Chartered Accountants of England and Wales at Haberdashers' Hall, Staining Lane, EC2.
- Amusement Trades Exhibition opens at Alexandra Palace, N22, (until January 25).
- Paint Research Association two-day seminar on protection of structural steelwork opens at Elizabethan Hall, Shepperton.
- Overseas—President Carter delivers his third State of the Union message to Congress. Prince of Wales visits new computer-controlled dairy of Tom-Malkerei in Zurich.
- Mr. John Moore, president of the U.S. Exim Bank, arrives in New Delhi for two weeks of discussions in "Arab aggression." Mr. Meir Rosenne, Israel's legal expert who has attended every negotiating session with Egypt since the end of the 1973 war, says that no Israeli Cabinet would ever agree to a change in Article Six or to an accompanying interpretative letter. In Egypt, senior officials emphasise that the treaty cannot be signed without a change. It is an indication of the verbal gymnastics involved that Mr. Atherton, accompanied by the State Department's legal adviser, Herbert Hansell, appears now to be attempting something
- PARLIAMENTARY BUSINESS
House of Commons: Resumed second reading debate on Industry Bill. Social Security Bill, remaining stages.
House of Lords: Consolidation Bills Committee. Debate on future of coal industry.
Select Committees: Nationalised Industries, Sub-committee A. Report and Accounts. Witness: British Transport Docks Board, 4 pm. Room 8.
- COMPANY RESULTS
Final dividends: Ashdown Investment Trust, Vantage Securities. Interim dividends: Davy Corporation, G.T. Japan Investment Trust, Smith Brothers, David S. Smith (Holdings).
- COMPANY MEETINGS
Elson and Robbins, The Post House, Bastocks Lane, Sandiara, Nottingham. Laganvale Estates, 1a Queen's Gate SW. 11.

NO QUEUES FOR LAKER SKYTRAIN SERVICE

EFFECTIVE IMMEDIATELY:-

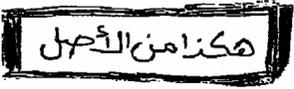
Just turn up and go. If today's flight is full we will sell you a ticket for a confirmed seat on the next flight.

DAILY WIDE-BODY DC10 TO NEW YORK £59
SINGLE

DAILY WIDE-BODY DC10 TO LOS ANGELES £84
SINGLE

For up to the hour availability call 01-828 7766

SKYTRAIN AIR PASSENGER SERVICE



Companies and Markets

UK COMPANY NEWS

Alexanders Discount loss in year of rising MLR

AFTER providing for rebate and tax and making a transfer from contingency reserve, the balance for 1978 at Alexanders Discount Company, was £200,000 compared with £2.14m in 1977 which was after making a transfer to contingency reserve.

The directors point out that in a year in which MLR rose from 61 per cent to 121 per cent, conditions were difficult for the group and resulted in a trading loss.

Last year the board said the policy would be to try to maintain growth in the dividend distribution over the years notwithstanding the uneven nature of profits from one year to another.

Therefore a maximum permitted final dividend of 11.501p is being recommended making a total of 16.001p compared with 14.33p previously.

The final 11.501p is recommended even though this will necessitate drawing on both published and inner resources. These resources remain at a high level, having been substantially strengthened as a result of the large profit earned in 1977.

The balance of profit carried forward will be £1.46m compared with £2.05m.

The balance sheet total at the year end was £480m (£509m) with the most significant change being the holding of only 55m gilts (£40m).

Treasury bills totalled £114m (£172m) and commercial bills £236m (£203m).

The holding of sterling and dollar C.D.'s was £94m (£67m). More than two-thirds of the assets will have matured during January and only a small proportion mature after the end of February, the directors say.

See Lex

HIGHLIGHTS

The Governor of the Bank of England has sprung to the defence of monetary guidelines, but sentiment in the stock market yesterday was damaged by the Government's pay concessions. Meantime Alexanders Discount has made a trading loss for 1978. The clearing banks have announced changes

in accounting practice for the forthcoming results season and government statistics indicate a recent upturn in companies' borrowing requirements. Finally Lex discusses Japan where changes to exchange controls will allow foreign investors to buy all but the shortest Yen bonds.

Plaxton's demand at high level

In the absence of major disturbances to production, the plentiful supply of work at Plaxton's (Scarborough) should allow the group to make further progress. Mr. F. W. Plaxton, the chairman says in his annual report.

Demand for the group's coachwork remains high and the order book ensures full employment during the current year—reasonable supplies of chassis are being received, the chairman says.

Now that the changeover to steel framed body construction is completed, management is investigating ways of speeding production and still further improving quality. These considerations will incur greater capital expenditure than usual

during this and the following year.

For the 52 weeks ended October 1, 1978, pre-tax profits amounted to £2.42m compared with £1.64m in the previous 52 weeks. Turnover amounted to £19.99m against £17.37m.

On a current cost basis, pre-tax profit is reduced to £1.99m after adjustments for depreciation, £83,000, cost of sales, £374,000 and gearing of £13,000.

In addition to retained profits, reserves have also been increased by £1,860,000, being the transfer from deferred tax account, and by £1,470,000, being the excess of the professionals' existing value valuation of the majority of the group's land and buildings over their book values.

The group's cash resources increased by £1.01m to £3.02m during the year. It is the Board's opinion that funds are adequate to finance expansion plans and the major capital expenditure projects in course of formulation for the coach division's paint processes and factory layout in the next two to three years.

Stenhouse involved in £7.5m dispute

Stenhouse Holdings, the insurance broking group that is floating its industrial activities—Caledonian Holdings—through a public offer, is involved in an insurance dispute which could lead to claims of \$15m (£7.5m).

The details are revealed in part in the letter which has been sent to Stenhouse shareholders outlining the reasons for the disposal of the industrial activities. The group explains that it claims for an undetermined amount of damages has been made against one of the non-resident subsidiaries of Stenhouse Holdings by a client alleging negligence.

Stenhouse adds: "While it is not possible at this time to estimate the likely liability, if any, of the subsidiary in respect of the claim the amount of damages, if any, should not exceed \$15m."

The group is confident that any liability that arises will be covered by the subsidiary's errors and omissions insurance. Stenhouse would not indicate whether the subsidiary was involved, although it is understood to be a North American-based company.

UK Provident new savings contract

A new flexible savings contract designed to meet the needs of the modern investor has been launched by United Kingdom Provident, a leading mutual life company. Called the Moneymax Plan, its basic form is a 10-year with-profits endowment contract, yielding an current bonus rates of an attractive 11 per cent net of all taxes after 10 years. The company is a leader in the with-profits field.

But at the end of 10 years the investor has a number of options available to him. He can cash it in, or he can elect to accumulate additional growth bonuses to be cashed as and when required. Since the contract is written as a series of mini-policies, these may be cashed in successive years to provide an income that is tax free.

There is also an option to cash-in the plan after 10 years and replace it with a new Moneymax Plan of a normal 10-year with profit endowment without medical examination. At the end of the fifth year, there is normally an option to increase the benefits.

However, the company has designed this plan after making considerable market research into the demands of modern investors. There has been a marked trend for shorter-term contracts, high returns, and plans which are both efficient and provide flexibility in the benefit structure. The minimum premium is £30 per month or £360 yearly and the plan is issued in units of £10 monthly (£120 yearly).

MILBURY

The rights issue of Milbury, the Manchester-based housing building subsidiary of Saint Piran, has been taken up as to 97.82 per cent. The issue of one for seven at 55p produced £374,000 towards the acquisition of Rydeacres Developments.

Overseas revamp allows Wrighton to move ahead

IMPROVEMENT OVERSEAS has enabled F. Wrighton and Sons (Associated Companies) to break out of the recent downward trend in first half profits. Earnings for the half year to the end of September jumped from a depressed £2,411 to £188,119 on sales £0.22m up at £4.12m.

The detrimental effects of the current economic climate must be set against the improved performance of the group so far the directors comment. Providing there is no severe deterioration in the position, they cautiously assume the fulltime results will be satisfactory.

Over the past four years profits of the fitted kitchens manufacturer have been sharply down on the peak £0.7m achieved in 1973-1974. In August last year the directors were confident that with the continuous review of operations the company was in a position to hold its own in difficult trading conditions, to Reft for a greater share of the market despite intense competition and to take full advantage of the market upturn when it occurs.

The first half increase is a result mainly of changes implemented in the company's French subsidiary, Wrighton International Furore. The reorganisation of the French company has cut administration costs and with improved marketing the Bear has eliminated what was previously a drain on group resources.

There has also been reorganisation in the UK where steps have been taken to strengthen the company's marketing and selling side.

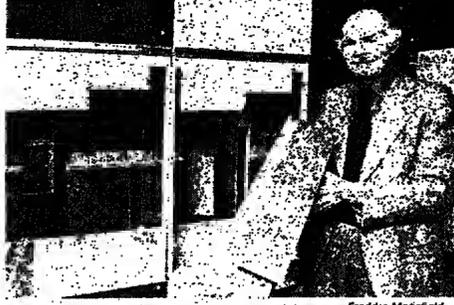
UK sales to date show a small rise and together with a vigorous control of costs performance has improved, the directors now report. These moves have avoided reductions in the labour force thereby retaining the production capacity necessary to meet the increased volume of business planned for the new year.

LBI moves ahead to £44.2m at year end

Lloyds Bank International, a wholly-owned subsidiary of Lloyds Bank, reports pre-tax profits for the year ended September 30, 1978, rose from £43.4m to £44.2m.

Net profits improved from £13.5m to £13.7m. The pre-tax figure is struck after deducting exchange losses of £7.9m (£7.1m) on the company's operations in foreign currencies. The profit for 1978 has been affected by the weakness of the U.S. dollar and other related Latin American currencies, and is stated after charging for the depreciation on freehold and long leasehold properties of £1.2m.

The £23.7m charge for tax reflects exchange losses in overseas subsidiaries which, while charged against profits before taxation, do not qualify for tax relief in the UK or elsewhere. The share of the profit attributable to the European division rose to 22 per cent in 1978, largely as a result of exchange movements on the bank's investment in Switzerland. North America and Far East divisions



Mr. Keith Wrighton, chairman of F. Wrighton and Sons, with some of the company's kitchen furniture at the Walthamstow factory.

After tax of £114,000 (£35,083) for the half year there was a recovery from a £12,642 net loss to a £74,119 surplus and earnings per 10p share came out at 1.59p (loss 0.33p).

It was in 1978-79 that the group, having been active in Continental Europe for several years, decided it was necessary to change its marketing policy there and began to concentrate on the field of retail distribution. Operations were extended in France including the establishment of a fully equipped 450 square metre showroom, then believed to be the largest of its kind in the country. At that time the directors warned that development costs could continue to be expensive but break even was hoped for towards the end of the following financial year.

In the event losses in France were substantial in 1976-77 and this led to further policy changes and the setting up of showrooms in the major French cities in collaboration with distributors.

comment

Wrighton's pre-tax profits are more than eight times better, but the small increase in sales reflects static volume. This is surprising during a period when the pattern of consumer spending reversed its previous dull trend and demand for home improvement work provided enough compensation for the still unexciting private house-building sector. The company argues that its high quality range of kitchen, bathroom and bedroom furniture has been hit by German competition, and it points out that others at this end of the market are finding the going even tougher. Meanwhile, loss elimination in the French marketing operation has speeded up the group's recovery which began in last year's second half. Wrighton has already been forced to severely trim its Gallic sales but there is some hard work ahead before the company achieves a decent return. Future plans include further additions to the bathroom and bedroom range but as yet there is little sign of any significant upturn in the group's main markets. The dividend has not been increased for the past two years but assuming a 10 per cent increase this time the shares at 30p yield a prospective 8 per cent.

Imry heading for record

WITH LOSSES in Belgium eliminated the directors of Imry Property Holdings now forecast a record taxable profit of some £850,000 for the current year. This follows a jump in the surplus from £178,000 to £261,000 in the half year to September 30, 1978.

Profit in the first half of 1977-78 had been held back by £24,000 terminal losses in Belgium but, by the year end, profit had recovered to £447,000 from near breakeven in the previous 12 months.

The net interim dividend is stepped up to 1.2p (0.8p)—last year the company returned to shareholders after two years absence with a total payment of 2.20127p.

Half-year profit included share of associate's surplus up from £15,000 to £18,000. After tax of £184,000 (£129,000) the net balance emerged higher at £107,000 compared with £49,000. Outgoings on properties in course of development amounted to £5,000 (£17,000).

Provident Financial

Provident Financial Group, the Bradford-based consumer credit concern, has reported that its annual accounts will be delayed as a result of industrial action by workers at two of its branch companies.

The group said that sanctions being operated by members of the Association of Scientific, Technical and Managerial Staffs had now ceased. The workers had been on dispute over a pay claim.

Provident said that its AGM would now be held on June 5 as a result of the delay in preparing its accounts.

SECURITIES TRUST OF SCOTLAND

Securities Trust of Scotland has arranged a two year loan at 4 1/2 per cent fixed, of £600m (approx. £1.5m), together with an advised line of credit for an additional £400m (approx. £1m). These funds will be used to increase the company's commitment in Japan.

Strike taking toll on Avon

Lord Farnham, chairman of Avon Rubber Company, told members at the AGM that in the past two weeks the strike of road haulage drivers had seriously disrupted the flow of goods both into and out of the group's companies. However, throughout this difficult period production had been maintained at reasonable levels in each of the factories, thanks to efforts of all employees.

Recently, plans had been announced by a number of tyre manufacturing companies to reduce capacity by closing factories and making large numbers of employees redundant. While there was an obvious need to improve Avon's profitability and the efforts of all concerned were being directed to this end, tyres would remain an essential part of the group's product range, stated Lord Farnham.

Inevitably, financial results were being severely affected by

the current state of industrial unrest, and every week it continued the company was trading at a loss. Without knowledge of its duration and effects on customers, particularly those in the British automotive market, the chairman said it was impossible to quantify the extent of the damage that was being done and therefore the outcome of this year's trading.

Group companies manufacturing goods for other than the British automotive market were showing improving prospects with strong order books. The outlook for Avon Lippitt Hobbs was very good and its impressive growth rate was being maintained. The benefits of the new factory capacity should be evident in the second half of the current year.

CROWN BREWERY South Wales and Monmouthshire United Clubs Brewery Co.

has changed its name to Crown Brewery Company.

Lowland Inv. £56,000 at three months

Net after-tax revenue of Lowland Investment Company was almost static at £56,055, against £55,845, in the three months to December 31, 1978.

But net assets per share are ahead from 63.9p to 70.2p. Stated earnings per 25p share are also up from 0.71p to 0.72p.

The revenue figure was struck after tax of £21,120 (£27,822) and interest charges and expenses increased from £27,138 to £30,847.

Net after tax revenue for 1978 amounted to £207,000, against £159,000.

P.J. Carroll & Co. Ltd.

Extracts from the Statement by the Chairman Mr D.S.A. Carroll circulated with the Report and Accounts for the year ended 30th. September 1978.

"The outcome for the year can be described fairly as very satisfactory. In this third year in respect of which the Accounts have been prepared according to the Current Cost Convention, both the Operating Profit and the Profit Attributable to Shareholders are at the highest levels yet achieved, and although we attach less importance to it the Profit Attributable to Ordinary Shareholders as defined under the Historical Cost Accounting Convention is the highest for any twelve-month period in the Company's history. What is particularly satisfying about this outcome is the fact that it has been achieved through a sustained commitment to long-range strategies designed to ensure that the Company came through the transition to the new tobacco taxation system with an enhanced share of domestic market, and with a cost price structure which would ensure the continuing profitability of the tobacco industry and a capacity to invest in new opportunities for wealth creation in Ireland to the benefit of all stakeholders."

Group sales totalled more than £99 million compared with £88 million in the previous year.

The Current Cost Profit available for appropriation at £2.6 million shows a marked increase of some 62% as a result of a 36% increase in Operating Profit together with the lower charge for interest and the lower charge for taxation.

These results enable us to recommend a rate of final dividend equivalent to 26% gross which with the interim dividend already paid equivalent to 12% gross amounts to 38% for the year compared with 34% last year.

The Consolidated Balance Sheet of the Group shows considerable strength. Total net assets have increased from £21.8 million to £28 million. The strength of the Company is best measured by the statistic that Shareholders' funds provide some 84% of the permanent capital.

As shareholders will no doubt be aware, our strategic management of the Group is based on business planning

which seeks to identify opportunities and challenges and their implications over a period of some years ahead. These projections show a financial condition of the company which will justify further investment and we are therefore attempting to identify new possibilities and preliminary investigations have begun towards this end.

In this context, the Company is already engaged in a diversity of activities, cigarette and tobacco manufacture, pharmaceuticals, distribution, print and packaging, and the material investment in the manufacture of terry towelling; we believe that the time has come to adjust the structure of the Group better to reflect the nature of its future development and to ensure effective control over its diverse range of activities. We are therefore proposing that the name of the Company be changed to Carroll Industries Limited and that in future the name of P. J. Carroll & Company, Limited, will refer to that part of the total business which was its origin and which, even to-day, remains its largest element, the Tobacco manufacturing business. In order that this proposal may be capable of implementation during the coming year a Special Resolution is being put to the shareholders at the Annual General Meeting; which if passed, will enable the name of the Company to be changed subject to the necessary consent of the Minister for Industry, Commerce and Energy being obtained.

DONAL S.A. CARROLL Chairman

Copies of the Report and Accounts incorporating full Current Cost Accounts and full Historical Cost Accounts are available on request from

The Secretary P. J. Carroll & Company Limited Grand Parade Dublin 6

NEW LIFE BUSINESS

Provident Mutual Life premium income up 48%

NEW ANNUAL premium income up by 48 per cent last year is reported by the Provident Mutual Life Assurance Association, amounting to £19.5m against £13.2m in 1977. There were strong developments in most sectors of the market with individual life business 33 per cent bigger at £4.6m, self-employed pensions more than doubled at £1m, and executive pensions also 53 per cent up at £4.2m. The company's pension market was particularly strong with the introduction of the new State pension scheme with new annual premiums 41 per cent higher at £9.5m.

However, single premium business last year declined markedly from £12.4m to £8.2m. Interest in guaranteed income bonds declined, despite the continued high rates of interest offered, from £3.3m to £2m. There were fewer transfer values from pension schemes: group pensions business amounted in only £2.6m against £5.15m in 1977. New sums assured last year climbed 38 per cent from £438m in 1966m and new annuities per annum rose from £26m to £31m. The company's subsidiary, Provident Mutual Managed Pensions Fund, also had a successful year in 1978 with new annual premiums of £1.9m against only £300,000 in 1977 and single premiums of £4.4m against £1.2m in the previous year. As a result, the total value of funds under management rose during the year by 12 per cent to £9.5m from £8.3m to £11.7m. Although most of this growth came from insured schemes transferring

from the parent company, there was a growing interest from outside sources in 1978.

Net new annual premiums up by 40 per cent in 1978 from £4.8m to £6.7m is reported by Crusader Insurance Company, a member of the Bowring Group. There was a 35 per cent rise in individual with-profit contracts, much of this growth coming from low-cost endowments used in connection with house purchase. Sales of the company's flexible endowment Omnia were slightly lower than in 1977. Sales of self-employed pension contracts were dull, the company has just relaunched a new style scheme in this field but executive pension schemes remained buoyant.

Single premium business was also good in 1978 rising from £8.4m to £7.4m. Company pension business was strong. Overall, net new sums assured climbed 36 per cent from £494m to £672m and new annuities from £6.74m to £13.74m. Greenham Life Assurance Society, a member of the Rothchild Group, reports new life and pensions annual premium up by 36 per cent last year to £3.9m. Ordinary life business increased by 17 per cent to £2.5m, with sales of mortgage repayment contracts strong as a result of the buoyant house purchase market. The company continued to do well in sales of term assurance contracts. It being a leader in the life protection market, the company's pension business rose by 7 per cent to £9.5m—the company concentrates on small schemes and executive arrangements.

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Current payment, Date, Corrsponding, Total 1978, Total 1977. Includes Alexanders Discount, Greenfield Investment, Imry Property, and Leda Inv. Ptd. 2nd Int.

Dividends shown pence per share. * net except where otherwise stated. † Equivalent after allowing for scrip issue. ‡ On capital increased by rights and/or acquisition issues.

G. R. FRANCIS GROUP LIMITED

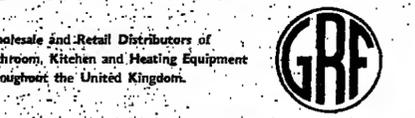
Table showing Interim Results (Unaudited) for Half Year to 30.9.78 and Year to 31.3.78. Includes Group Turnover, Profit before taxation, Taxation, Profit after taxation.

Chairman's Statement

The profits for the half year ended 30th. September, 1978 show a 14% increase over those for the corresponding period in the previous year.

This improvement is a result of concerted efforts to maintain and improve our margins and the achievement of this objective, combined with a most satisfying increase in turnover since September, suggests that the second half of the financial year will generate a further advance in profits, subject to the effects of the present industrial climate.

G. R. Francis, Chairman.



Wholesale and Retail Distributors of Bathroom, Kitchen and Heating Equipment throughout the United Kingdom.

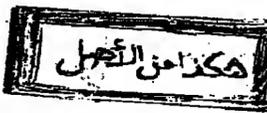
Alexanders DISCOUNT COMPANY LIMITED

Results for 1978

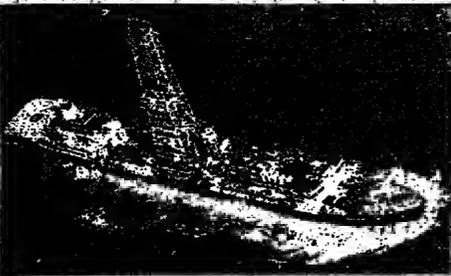
- ★ Subject to audit, the Balance for the year after providing for rebate and taxation and making a transfer from Contingency Reserve amounted to £200,000 (1977—£2,139,000 after making a transfer to Contingency Reserve).
- ★ A final dividend of 11.501p per share (£559,000) on the £4,841,658 Issued Ordinary Capital is recommended; this makes a distribution for the year of £778,000 which together with the associated tax credit, represents a total for the year of 23.983p per share (£1,161,000) (1977—21.711p—£1,035,000 on £4,857,158 Capital).
- ★ The Balance of Profit carried forward will be £1,461,000 (1977—£2,048,000).
- ★ In a year in which MLR rose from 61% to 121% conditions have been difficult and have resulted in a trading loss. Last year the Board stated that their policy would be to endeavour to maintain growth in the dividend distribution over the years notwithstanding the uneven nature of profits from one year to another. Therefore on this occasion they recommend the maximum final ordinary dividend allowed under current legislation even though this will necessitate drawing on both the published and inner resources. These resources remain at a high level, having been substantially strengthened as a result of the large profits earned in 1977.

The Balance Sheet total at the year end was £480m. (1977—£509m.) with the most significant change being in the holding of only 55m. Gilts (1977—£40m.), Treasury Bills totalled £114m. (1977—£172m.) and Commercial Bills £236m. (1977—£203m.). The holding of Sterling and Dollar C.D.'s was £94m. (1977—£67m.). More than two-thirds of the assets will have matured during January and only a small proportion mature after the end of February.

1 St. Swithin's Lane, London EC4N 8DN 01-626 5467 TELEX 283126



MINING NEWS



The Australian-registered drilling rig 'Regional Endeavour' which is being purchased by the Selkirk Trust group's Western Selkirk for AS18.36m...

Asamera's uranium drilling

FURTHER drilling progress has been made by Asamera Oil at the intriguing Kefe Lake-Henday Lake joint venture uranium project in Northern Saskatchewan.

Mary Kathleen doing better

BY KENNETH MARSTON, MINING EDITOR

BETTER tidings come from what is still Australia's only producing uranium mine, the struggling Mary Kathleen Uranium in Queensland which is 51 per cent owned by Cominco Ltd of Australia and 49 per cent by the Australian Government.

Matters have also been helped by the agreement reached with the Japanese power utility customers on new delivery schedules which are more appropriate to the MKU's future levels of production.

It is also announced that in the proceedings brought by Westinghouse Electric in the U.S. alleging breaches of the Sherman Antitrust and Wilson Tariff Acts, the U.S. Court has granted a default judgment on issues of liability for an amount to be later determined by the Court against CRA, MKU and seven other non-U.S. defendants on the basis of non-appearance in the proceedings.

A similar announcement was made earlier this month by the parent company, Rio Tinto-Zinc, which stated that, with the other RTZ group companies, it denied liability and did not accept the jurisdiction of the Court.

MMC in tin-venture with Johore State

An agreement has been signed between the Malaysian Mining Corporation (MMC) and the Johore State Economic Development Corporation (SEDC) to form a joint venture company that would have extensive mining rights in the state.

Mr. Rahim described the agreement with Johore SEDC as a very neat contract where the joint venture company has exclusive mining rights in the state.

SEDC will hold 51 per cent of the new company, to be called Syarikat Lembangan Sebelah Johore, while MMC will hold 49 per cent, reports Wong Sulong from Kuala Lumpur.

Under the agreement the new company would be given prospecting and mining rights for minerals (except oil and gas) in Johore, as well as offshore areas.

The company has carried out boring over 500 acres in the Sungai Pelawan area in the Kota Tinggi district, and results have indicated the presence of tin deposits capable of being exploited on a large scale.

MMC is the world's biggest tin mining conglomerate and is 79 per cent owned by the Malaysian Government-sponsored Permas organization and 29 per cent by London's Charter Consolidated.

Mr. Rahim Aki, chief executive of MMC, said more prospecting had to be done, but he was confident that commercial mining could be undertaken on at least 3,000 acres in the area.

32% PROFITS SURGE by JOHN WILLIAMS

Chairman Harold E. Williams reported increased turnover and higher trading profits from all three divisions for the year ended September 30th, 1978. The resulting pre-tax profits, at £2.2 million, are 32% up on turnover of £20.2 million.

Table with 4 columns: 1978, 1977, 1976, 1975. Rows include Net Assets Employed, Turnover, Trading Profit, Profit before Tax, Earnings attributable to the Shareholders, Ordinary Dividends.

Annual General Meeting Friday 26th January 1979. Copies of Annual Report available from: The Secretary, Williams Way, Cardiff CF1 1UH.

JOHN WILLIAMS GROUP OF COMPANIES JOHN WILLIAMS OF CARDIFF LTD. Telephone: 01493 41111. Fax: 01493 41112.

BIDS AND DEALS

Dufay asking S E for enquiry into share price

DUFAY BITUMASTIC has taken the unusual step of asking for a Stock Exchange investigation into recent dealings in its shares.

Dufay, the surface coatings manufacturer—from paints to plastics and powder coatings—is concerned about its share price rise last week on the back of bid speculation.

Mr. Cecil Attwood, the group's chairman and chief executive confirmed yesterday that there had been a recent merger approach in Dufay but exploratory talks with the company concerned had terminated in the last few days.

He said that in the light of recent speculation in the group's shares Dufay had decided to ask for a Stock Exchange enquiry although it had no evidence of any improper dealings.

Dufay's share price had risen from 42p at the beginning of last week to 48p yesterday when the group asked for its shares to be suspended. On resumption of dealings, and news that the merger talks had failed, the shares fell back to 42p.

Mr. Attwood said that last week's share price rise appeared to have been prompted by press speculation about a bid being mounted for Dufay.

He said that the share had continued to rise even though merger talks had been terminated and this had prompted yesterday's temporary suspension of dealings.

"We feel it is right to seek an investigation in these circumstances and to ascertain whether forces other than newspaper speculation have been behind the share price rise."

Slough Estates announces that its commercial development and investment subsidiary, Gannett Development has recently agreed the letting of 27,300 square feet of office space in the Fountain Precinct in Sheffield, to Union Carbide UK.

A further 8,600 square feet of office space in the building has been let to Commercial Union Assurance, for the relocated Sheffield branch office.

These two lettings mean that over 35 per cent of the office space in the 127,000 square feet office and showroom development will be in occupation by the end of the year.

AM&S PRODUCED LESS IN 1978. Lead, zinc and silver production was lower last year at the Rio Tinto-Zinc group's Australian Mining and Smelting mines at Broken Hill in New South Wales.

Overall ore grades were lower while operations were affected by strikes and, in the focal quarter, by the closure of the New Broken Hill Consolidated mine's haulage shaft for nine days while repairs were carried out.

Table with 2 columns: 1978, 1977. Rows include Ore treated (tonnes), Assays (per cent), Silver (grams/tonne), Zinc (per cent), Lead concentrate, Contaminant, Gross lead, Zinc concentrate, Silver concentrate, Contaminant, Zinc (tonnes).

RIGHTS ISSUE BY ENDEAVOUR. A non-renounceable rights issue of 32.7m shares of 20 cents is to be made by Australia's Endeavour Resources.

Bond Corporation Holdings, which has a 25 per cent stake in Endeavour, intends to take up its entitlement to the issue.

middle of this year. The level of current enquiries is indicative of the increasing demand for industrial office space in Sheffield.

The retools obtained were well up to expectations.

SCOTTISH METROPOLITAN. Last year Scottish Metropolitan Property acquired the former Spillers-French bakery buildings in Dumfries, on behalf of Scottish and Universal Newspapers.

There will be approximately 60,000 sq ft of warehouse and light industrial buildings contained within 12 acres which it is intended, should be built in three phases commencing later this year.

The company is advised that there is strong interest in the units to be built in the first phase of 20,000 sq ft and it is anticipated tenants will be signed up ahead of the start of construction within the course of the next few months.

On completion of the estate, the amount of capital invested there by Scottish Metropolitan will be in excess of £1m.

DIXOR SELLS MORTLAKE FACTORY. Dixor has sold its freehold premises at Mortlake for £25,000 cash. The company which is operating out of a small modern factory at Epsom for the past four years so the sale of the property, which was unoccupied and earning no income, will save the company rates and reduce its interest charges.

In July 1978 Dixor bought a long lease on a much larger factory at Thurton Heath, Crofton, for £265,000. The move to the new factory should be completed by March and it is estimated that capacity can be trebled as a result of the increased productive area and larger and more modern plant being installed.

Dixor is a leading UK manufacturer and packer of decorative

cosmetics and skin and hair care products. Last year a consortium of investors, which included two existing directors, bought 57.5 per cent of the equity from Thomas Borthwick and Sons.

GOOD START FOR ALLIED PLANT. The level of activity in Allied Plant Group's businesses, described last October as "gathering momentum," shows no indication of abating in the year just started, says Mr. Michael Heathcote, the chairman.

The circular on the acquisition of Edmond (Builders) and its subsidiary Kingston Plumbers, he adds that, with this new addition, the trading position of APG as a whole should be substantially enhanced.

The circular shows that the inclusion of Edmond's and Kingston Plumbers increases net current assets in £305,000, against £276,000. However, these figures are based on APG's accounts dated December 31, 1977, and Edmond's of March 31, 1978, and take no account of the profit earned since those dates.

Shareholders will be asked to approve the acquisition and a doubling of capital to £2m at a meeting in Hull on February 12.

SWISS BUYER FOR J. & S. SIEGER. Zellweger Uster AG, Swiss apparatus manufacturer, has acquired J. and S. Sieger, of Poole, Sieger, which has a work force of 300, specialises in the production of apparatus for the measuring and analysis of explosive and toxic gases.

Annual sales are around £13m. Zellweger whose 1978 turnover is expected to be rather below that of the Swiss 1978 recorded for 1977, forms part of the Hestia Group, of Zug. The takeover of the British company will lead to a strengthening of its polymetro division.

SHARE STAKES. Raaci Electronics—Mr. E. T. Harrison, chairman, has sold 40,000 shares. John Mowlem and Company—Mr. James McBurney, director, beneficially holds 496,137 shares (3.1 per cent).

EIH calls for share suspension

LESS THAN a week after the annual meeting at which the entire Board was changed, the new directors of Edinburgh Industrial Holdings have called for a suspension of the group's shares.

The new chairman, Mr. Norman Castle, former chairman of S and W Berisford, said that a circular would be sent to shareholders as soon as possible.

The Board is conducting a financial review of the company but in the meantime says it believes EIH's three industrial subsidiaries are profitable and can be developed.

The new Board, which includes Mr. J. Bekhor, a partner in the stockbroking firm of A. J. Bekhor which has been broker to EIH for the past two years, swept into power at last Thursday's annual meeting in a surprise move.

The group of five men guaranteed to inject a minimum of £100,000 into EIH and in view of this the two existing managing directors, Mr. C. de Naray and Mr. C. Aleman, sold their shares to the group.

Since then the share price has moved up from 8p to 11p just before suspension.

New chief for Saint Piran. Mr. Henry Hodding has taken over as chairman of the controversial mining and construction group Saint Piran. He has taken over from Mr. Bob Shaw, who is now a non-executive director of the group.

Mr. Hodding's appointment follows a year of Boardroom upheaval at Saint Piran. Mr. Hodding became a director of Saint Piran in 1974, and his present interests are involved in controlling the mining group activities.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are in arrears or in hand, and the sub-divisions shown below are based mainly on last year's results.

Table with 2 columns: Company Name, Date. Includes: Today, Tomorrow, 24th, 25th, 26th, 27th, 28th, 29th, 30th, 31st.

Improvement for Reckitt Australia

Profits before tax of Reckitt and Colman Australia, 66.73 per cent owned by the UK group, rose 20.7 per cent from AS18.81m to AS22.47m for the October 31, 1978 year, on sales up 10.1 per cent to AS15.28m.

After tax, minorities and extraordinary items, net profits were 17.7 per cent higher at AS12.95m.

The current year has opened satisfactorily although the general tone of economic activity remains subdued, he adds.

ASSOC. BISCUIT

Associated Biscuit Manufacturers announces that acceptances have been received for 15,548,509 ordinary shares of 20p each representing some 94.21 per cent of the 16,503,746 ordinary shares of ABM offered by way of rights to ordinary holders.

Westminster Prop. merger plan

LETTERS OF intent have been exchanged in a deal which will lead to control of Westminster Property Group going to a company which is at present owned of Eaglebrook. WPG is buying Eaglebrook for £1.8m by issuing 9m of its shares at par.

The deal, which is still subject to contract, will leave the vendors with about 51 per cent of Westminster hut, providing the majority of shareholders agree, they will not be obliged to make a full takeover offer.

The contract requires that the vendors warrant that on completion Eaglebrook will have a net asset value of £1.8m comprising property valued at not less than £1.6m and cash of not less than £200,000.

Neither WPG nor any of its directors has any connection with the proposed controlling company, Westminster's Board will be reconstituted so that nominees of the vendors of Eaglebrook will have majority representation.

It has also been agreed that at the same time that Westminster, through an issue of its shares, buy out the outstanding loan, which it has guaranteed, and half the accrued interest, in all totaling some £9.3m, made by Sir Alister McAlpine in connection with WPG's Portuguese subsidiary, Cerro Grande Investimentos Turisticos e Imobiliarios. The balance of the accrued interest will remain as an interest free debt to Cerro Grande to McAlpine.

As a result of this move McAlpine will be left holding some 17 per cent of WPG's enlarged capital.

The transactions, which will mean that WPG's issued capital is raised from 7m shares have yet to be approved by its shareholders and the obtaining of all necessary exchange control clearance.

SIME DARBY. Sime Darby, the international conglomerate which has mounted a £122m bid for Guthrie Corporation, the plantation group, will increase its offer "in present circumstances."

The group released a carefully worded statement yesterday after speculation in the Far East that the offer could be a coal one. Press reports in the Far East of remarks made by Sime's chief executive Mr. James Scott indicated that Sime's offer was final.

This prompted Guthrie's financial advisers—Baring Brothers—to bring the matter to the attention of the takeover panel. Under the takeover code if the bidding company makes a statement to the effect that an offer will not be improved the bidder will be bound by that statement.

The Takeover Panel took a lenient view and accepted that Sime had been misreported. The company's formal form of words incorporating the key phrase "in present circumstances" the panel feels is acceptable.

GEI is planning to offer nine ordinary shares of 20p of its own equity for every 10 ordinary shares of 25p in Moss.

Meanwhile Moss directors are drawing up their detailed objections to the GEI bid and are for the time being urging shareholders to do nothing.

STRATEGIC STAKE BOUGHT IN FIVE OAKS INVESTMENT. Mr. John Featherer, property dealer, has acquired a strategic 26 per cent stake in Five Oaks Investments, the property developers, and may be poised to make a full bid.

Mr. Featherer who among other interests owns Cornwall Estates said that he acquired his stake in Five Oaks within the past fortnight. "It was bought as a good investment but I certainly do not rule out the possibility of a full bid."

WESTINGHOUSE. Westinghouse Brake and Signal—the UK railway equipment concern—says that the proposed £40.5m takeover of its business by Hawker Siddeley would provide the group with better opportunities for expansion.

In a document sent to Westinghouse shareholders yesterday, Mr. L. E. Thompson, the group's chairman, says that Hawker's strength would assist group investment—particularly in the

development of Westinghouse's new G1AW brake valve which has just been approved for use on U.S. railways.

He said that while Westinghouse would continue to have a future as an independent concern the directors had recognised that the group might have difficulty in maintaining its "leading position" without placing a strait on its resources. Hawker was a most suitable company with which to merge.

The document shows that the group's 50 per cent interest in Bendix Westinghouse generated attributable profits of £1.16m out of total attributable profits of £4.43m in the year to September 30, 1978.

If Hawker's bid succeeds then Bendix will have the right to buy out Westinghouse's stake in the joint concern.

SEDGWICK FORBES. Dealings in shares of Sedgwick Forbes, the insurance broker which is merging with Bland Payne, were recommenced yesterday. The shares, suspended at 410p last November, came back to the market at 405p. They sank to 395p before closing at 398p.

ASSOCIATES DEALS. N. 31, Rothschild and Soos an associate of Bank Organisation, purchased 25,500 Bank ordinary shares on behalf of a discretionary client of N. M. Rothschild Asset Management on January 19 at 273½p.

ASSOCIATED PAPER INDUSTRIES LIMITED

Summary of Results

Year ended 30th September, 1978

Table with 2 columns: 1978, 1977. Rows include Turnover, Profit before taxation, Excluding George M. Whiley group, George M. Whiley group loss — six months, Earnings per 25p share, Dividends per 25p share.

- Profits up 20.5% excluding Whiley, £1.3 million earned in second half year. Whiley now greatly improved and performing according to expectations. Dividend 19.7%, per share higher than last year, the maximum permitted. Exports up £1.2 million to £3.5 million. Substantial capital investment continuing. Current year has started strongly but the road haulage dispute is now seriously affecting the group.

* 2,333,333 shares issued for the acquisition of George M. Whiley group on 30th March, 1978. The above figures are subject to completion of audit. The directors' Report and Accounts will be circulated to shareholders on 23rd February, 1979, prior to the Annual General Meeting on 26th March, 1979.

Private Investment Company For Asia (PICA) S.A. (Incorporated in the Republic of Panama with limited liability) US\$ 20,000,000 Floating Rate Notes 1986. The following have agreed to subscribe or procure subscribers for the Notes: Baring Brothers & Co., Limited, Algemene Bank Nederland N.V., Bank of America International Limited, Banque Nationale de Paris, Credit Suisse First Boston Limited, Lazard Freres & Co.

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

Sharp rise in profit at Bank of America

SAN FRANCISCO — BANK-AMERICA CORPORATION said that the improvement in the net interest margin was the most significant factor in its 1978 profit growth.

The company reported that 1978 earnings before securities transactions rose 30.2 per cent to \$514m from \$385m a year earlier.

The strong performance of net interest revenue reflected a combination of rising market rates, growth in real estate and consumer lending, and the positive foreign currency translation effect caused by the dollar's decline overseas.

Average domestic real estate loans outstanding increased by 26 per cent while consumer loans grew by 29 per cent.

Average foreign loans were up 15 per cent in 1978, but a large portion of the gain resulted from foreign currency translation.

Non-performing loans in 1978 declined to \$341m from \$438m in the prior year.

These loans reduced pre-tax earnings by \$33m in 1978 compared with \$32m in 1977.

On a per share basis, the reduction amounted to 12 cents for 1978 and 11 cents in 1977.

Loews' seeks Bulova control

By David Lascales in New York DIRECTORS OF Bulova Watch yesterday were considering a takeover offer from Loews' Corporation which would value the company at about \$33m.

Loews' already owns 37 per cent of Bulova, most of it acquired only a week ago from Stelux, the Hong Kong-based watchmaker.

Its new offer is for the remaining 2.4m shares at \$10 per share. Trading in Bulova shares was suspended on the New York Stock Exchange yesterday, having closed on Friday at \$8.50 a share.

Loews' offer comes at a time when Bulova, which claims to be one of the oldest and the last remaining maker of quality timepieces in the U.S. is undergoing a big shake-up.

After several years of losses in the early 1970s, Bulova announced last August it was transferring most of its manufacturing to Switzerland.

However, the company's fortunes have improved recently.

Grace in legal fight to stop Daylin bid for Narco

BY JOHN WYLES IN NEW YORK

W. R. GRACE has gone on to the offensive in its bid to acquire the West Coast retailing company, Daylin Incorporated, through a court suit aimed at stopping Daylin's \$68.4m tender offer for Narco Scientific Incorporated.

Daylin has been denying that its offer to Narco is designed to fend off Grace, but the suspicion has been prompted by the fact that Daylin's proposal is more than 35 per cent above the \$20 a share bid from the Rorer Group, which Narco directors had been recommending shareholders to accept.

Grace, 29 per cent owned by West Germany's Friedrich Flick group, charges in the suit filed in a Los Angeles district court that the approach to Narco was aimed at obstructing and frustrating Grace's

\$129m offer to Daylin and amounted to "waste and mismanagement." The suit goes on to accuse Daylin of violating Federal securities laws and of breaching its fiduciary responsibilities to shareholders. Grace asks the court to enjoin Daylin's officers and directors from going ahead with the bid.

On the legal front, this battle is now taking a fairly conventional course. Daylin has already filed suit against Grace alleging breaches of Federal securities laws and Grace has responded. But the prospect of a lengthy and expensive legal battle may give Daylin some cause for concern. The company has been reorganised after bankruptcy proceedings in 1976, and although it is carrying \$40m in cash on its balance sheet, management has already run

into some criticism from dissatisfied shareholders attracted by the Grace offer. "This group is also critical of the offer for Narco, not least because of the premium which Daylin appears willing to pay."

Pennsylvania-based Narco, a manufacturer of hospital equipment, has appeared nonplussed by Daylin's bid, but has questioned whether it represents any more than an attempt to outbid Grace. Specifically, Narco has asked for a number of assurances that the bid would be made even if Grace gains control of Daylin, and has raised the question that many members of Narco management might prove unwilling to work for Daylin.

Grace's suit is likely to be an additional worry for Narco management, and the entire battle is now delicately poised.

GM may try to dispose of Frigidaire

BY OUR NEW YORK STAFF

SEABOARD World Airlines, a leading trans-Atlantic air freight carrier, disclosed yesterday that it is seeking a merger partner and urged its shareholders to ignore a \$12.30 per share bid for 9.4 per cent of its stock from Tiger International, the largest U.S. freight airline.

Tiger's bid would raise its stake in Seaboard to 25 per cent—the limit set by the Civil Aeronautics Board pending a decision on whether to allow a full merger. Tiger's holding would have to be placed in a voting trust which would be

Tiger International's \$8m bid rejected by Seaboard Airlines

BY OUR NEW YORK STAFF

SEABOARD World Airlines, a leading trans-Atlantic air freight carrier, disclosed yesterday that it is seeking a merger partner and urged its shareholders to ignore a \$12.30 per share bid for 9.4 per cent of its stock from Tiger International, the largest U.S. freight airline.

Tiger's bid would raise its stake in Seaboard to 25 per cent—the limit set by the Civil Aeronautics Board pending a decision on whether to allow a full merger. Tiger's holding would have to be placed in a voting trust which would be

Changes in controls on Japanese bonds

By John Evans

ATTENTION IN the international bond markets yesterday turned to Japan, where relaxations were announced on controls over foreign investment in short-term Japanese domestic bonds.

One immediate reaction among some international investors was to liquidate part of their present holdings of such bonds, which generally comprise bank debentures and Government and discount bonds. Sellers were said to be heavy from the Middle East and South East Asian centres.

This reflects the fact that foreigners have been able to circumvent the controls to some extent. European banks point out.

The new relaxation allows non-residents to purchase Japanese bonds with maturities remaining of one-year and one-month terms. The previous limit of holding for one month had been in force since last spring.

McGraw sues Amex president

By Our New York Correspondent

McGraw-Hill has filed a suit in New York charging that Mr. Roger H. Morley, president of American Express, used his position as a director of McGraw-Hill to obtain inside information which was of use to American Express in launching its \$380m take-over bid for the publishing company.

The suit asks that the American Express offer of \$54 a share should be blocked and contends that the fraud sale of McGraw-Hill in these circumstances is valuing the company at some \$500m below an adequate price.

Last week McGraw-Hill, under New York State takeover law, sought to compel American Express to reveal its proposed financing for the take-over and its future plans for McGraw-Hill.

Boeing contract for Grumman

BY STEWART FLEMING

BOEING HAS awarded a \$800m contract for the manufacture of carrier wing sections, for its new 767 passenger jet to Grumman Corporation.

Grumman is the largest U.S. producer of carrier based military aircraft and its orders and profitability have been dependent on U.S. military spending.

A substantial proportion of the subcontracted work on the Boeing 767 is being undertaken in Japan and Italy where manufacturers have taken a share in the development of the jet.

The first time into the commercial aircraft market.

The Boeing 767 is being undertaken in Japan and Italy where manufacturers have taken a share in the development of the jet.

The Boeing 767 is being undertaken in Japan and Italy where manufacturers have taken a share in the development of the jet.

The Boeing 767 is being undertaken in Japan and Italy where manufacturers have taken a share in the development of the jet.

Occidental's year disappoints

BY JOHN WICKS IN ZURICH

THE PAST year has been a disappointing one for Occidental Petroleum Corporation, according to the chief financial officer Mr. John J. Dorzan.

Speaking in Zurich, he said Occidental expects to show "rather small" profits for 1978. He attributed this primarily to a \$122m writedown on European refineries and a reduction of potential earnings by \$73m

due to the U.S. coal strike. While the company did not earn its dividend last year, Dorzan said Occidental did not want to cut dividend without good reason. Full details for calendar 1978 will be released next month.

Dorzan forecast "much better" results for 1979, with an overall rise in production and

the cessation of losses from the Antwerp refinery operation.

There would be a rise in production in Libya and with regard to the North Sea, where Occidental has a 36.5 per cent stake and management of the Piper and Claymore fields, cash flow is seen as developing so as to bring about a pay-out during 1980.

Assets rich UV Industries cashes in

BY OUR NEW YORK STAFF

WHAT DOES a company do when it builds up half a billion dollars in liquid assets?

In the case of UV Industries, The New York-based electrical and minerals company, headed by Mr. Martin Horwitz, the answer is cash in and make the

most of it. UV announced last week plans to liquidate its assets and distribute the proceeds to its shareholders.

UV Industries grew over the last 20 years through a series of large takeovers—U.S. Smel-

ing, Refining and Mining Company, Mueller Brass and in 1972, Federal Pacific Electric—to achieve sales of \$600m, with a net worth of about \$250m. However, last year it sold Federal Pacific Electric again, to Reliance Electric for \$345m

Key Massey executives die in Detroit air crash

BY JIM RUSK IN TORONTO

THE EFFORTS of Massey Ferguson of Toronto to turn its money-losing operating subsidiary Robert Campbell and Giff has long been handicapped by the fact that Frigidaire employees are members of the United Auto Workers trade union. As a result, wage rates have been comparable with those in the car factories, and the company's labour costs higher than its competitors. Frigidaire prices, however, had had to remain competitive and profit margins have been slender or non-existent, it is believed.

Frigidaire joined the GM business in 1918 when GM's founder, Mr. William C. Durant, bought the Guardian Refrigerator Company of Detroit. In the early 1930s it was seen as a candidate for

plane exploded during a land- The jet was on its way from Des Moines, Iowa, where Massey's North American headquarters are located, to Toronto, and was landing in Detroit.

Mr. Mack and Mr. Murray were key executives in Massey's attempt to stem North American losses. Mr. Mack was one of the two senior executives who had been transferred from headquarters to Des Moines after sudden and unexpected losses were reported in North America about two months ago.

While the precise size of the losses has not been reported, Massey senior executives have not questioned stock market estimates that they were \$30m.

The pilot and co-pilot of the jet were also killed in the crash, which resulted when the wing tip of the jet apparently touched the runway and the

NCR to pay \$125m for Comten

BY OUR NEW YORK CORRESPONDENT

NCR, one of the leading U.S. computer manufacturers which is in the process of launching more powerful equipment, has agreed to buy Comten, a data communications company, for around \$125m in stock and cash.

Comten manufactures programmable communications systems which facilitate data transmission between main-

frame computers and remote terminals.

Both companies have approved the transaction under which NCR will make a \$22 a share tender offer for up to 35 per cent of Comten's 5.3m shares, with the outstanding stock to be acquired with a mixture of NCR common stock and cash.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of International Bonds on January 22 on the second Monday of each month.

Table with columns for U.S. DOLLAR, OTHER STRAIGHTS, FLOATING RATE, CONVERTIBLE, and YEN STRAIGHTS. Includes bond names, amounts, and yields.

All these Bonds have been sold. This announcement appears as a matter of record only.



Norsk Hydro a.s

(Incorporated in the Kingdom of Norway with limited liability)

U.S. \$50,000,000 9 1/2 per cent. Bonds 1994

Issue Price 99 per cent.

Interest payable annually on 15th January

Table listing various international banks and their branches, including Hamros Bank Limited, Amsterdam-Rotterdam Bank N.V., and others.

January, 1979



ROBOWS
Changes
controls
Japanese
bonds

PUK wins battle to control Hidro

BY ROBERT GRAHAM IN MADRID

SPANISH MINORITY shareholders have lost a bitter year-long rearguard action that sought to prevent the French group PUK from exercising full control over Hidro, the chemical concern.

As a result, the head of Hidro, former Finance Minister Sr. Juan Miguel Villar Mir, and leading opponent of PUK has been forced to resign.

PUK has a 40 per cent shareholding in Hidro, whose turnover last year was Ptas 5,170n (€450m). Sr. Villar Mir's differences with the French partner and his efforts to prevent PUK from exercising its control has proved one of the most unusual conflicts in the Spanish private sector in recent years.

Disagreement between the two companies arose more than a year ago in three broad areas of company policy: interpretation of agreements on third country sales, marketing strategy and investment. The main complaint of Sr. Villar Mir, whose faction controlled less than 50 per cent of the votes in Hidro, was that PUK was acting unfairly to restrict Hidro's sales—especially at a time of depressed international demand for one of the company's main products, ferro-manganese.

PUK, for its part, was concerned about the viability of the company's ambitious investment plans. In addition, there was a strong conflict of personalities within the management.

At the annual meeting in March 1978, the opposing factions failed to agree on any issue on the agenda, a second meeting ended in uproar when Sr. Villar Mir managed to forestall PUK's efforts to stop his

re-election. PUK and its supporters had obtained 51 per cent of the votes, but Sr. Villar Mir invoked a virtually unheard-of regulation governing relations between Spanish companies and foreign partners.

According to this, foreign partners can be prevented from interfering with board nominations. Thus thwarted, PUK refused to approve the 1977 accounts, but nevertheless endorsed an increase in Hidro's capital.

Sr. Villar Mir then adopted a new strategy. He sought to invoke legislation that prevented foreign shareholders from holding more than 25 per cent in a utility—Hidro, he argued, was a utility. This further angered PUK who said the company's main sales derived from chemicals, that it was registered on the Stock Exchange as a chemical company and that they themselves had bought into the company in 1969 when it desperately needed new capital and technology.

Last August a temporary truce was agreed to enable the company to function, the two factions agreeing to abide by the opinion of the Commerce Minister on Hidro's standing as a utility. The Ministry has now firmly stated that the company is not a utility, enabling PUK to participate fully in the capital increase.

A formal statement in the Press over the weekend said that Sr. Villar Mir had resigned. The case has been watched with interest by the foreign business community and if it had gone against PUK, the reaction would have been unfavourable.

ALGERIAN BORROWING

Bankers play the field for better terms

BY FRANCIS GHILÉ, RECENTLY IN ALGERIA

ALGERIA EMERGED last year, for the first time since 1973, as by far the largest borrower within the Organisation of Petroleum Exporting Countries (OPEC). It raised \$2.5bn worth of loans and \$721m worth of bonds on the international capital markets. This represents a three to fourfold increase compared with the amounts raised in 1977.

The sum total of hard currency funds raised last year is more than Algeria needed, but the country's bankers have obviously decided to take advantage of the high liquidity and falling spreads available in international credit markets.

Other steps taken by the committee set up 18 months ago to co-ordinate Algerian borrowings include a tighter control of approaches made by the string of Algerian state companies to the international

market but, in view of the possible to assess exactly at present. The reasons are twofold. First of all, part of what was borrowed in 1978 was not needed immediately. Algerian credits now boast bankers were simply taking advantage of a borrower's one another and the inter-

national bank's reception to the financing requests has been friendly. There is no reason why this should change. Algeria's foreign currency requirements for 1979 are im-

economic development plan (1979-83) has not yet been approved, let alone published.

Investment figures are available for the 1979 budget but not in any detail and not beyond this year. What is known of the contents of the plan suggest that housing and agriculture will have a greater share of the claims on the investment budget than hitherto. Thus loans might be sought to finance housing projects which contain a high degree of imported items and agricultural contracts expected to be signed with the U.S. Banks appear to be divided as to their willingness to finance such non-hard currency earning projects.

No doubt Algerian borrowers, not least Sonatrach, will continue to try to tie up loans which include both Ex-Im-type credits

and straight commercial credit, especially if they can get Ex-Im-type guarantees on part of the commercial tranches of such loans. This type of transaction allows banks to participate while not increasing by much their exposure to Algerian risk and getting, say, Canadian or French guaranteed paper instead.

Algerian borrowers will also remember 1978 as the year they tapped new markets, raising Japanese Yen bonds, DM denominated bonds and a number of dollar denominated floating rate notes.

The latest foreign debt service and projections available are much as expected. No undue concern is felt by international bankers who will nevertheless continue to watch the progress of Sonatrach's operations, not least on the gas liquefaction front, with great care.

The Algerian State oil and gas company, Sonatrach, is arranging a \$1.05bn loan to finance a third gas liquefaction plant. A 10-year commercial credit with four years grace and a spread of 1 1/2 per cent over Libor will form \$400m of the finance. The balance will take the form of a Coface line of credit.

market but, in view of the possible to assess exactly at present. The reasons are twofold. First of all, part of what was borrowed in 1978 was not needed immediately. Algerian credits now boast bankers were simply taking advantage of a borrower's one another and the inter-

economic development plan (1979-83) has not yet been approved, let alone published.

Investment figures are available for the 1979 budget but not in any detail and not beyond this year. What is known of the contents of the plan suggest that housing and agriculture will have a greater share of the claims on the investment budget than hitherto. Thus loans might be sought to finance housing projects which contain a high degree of imported items and agricultural contracts expected to be signed with the U.S. Banks appear to be divided as to their willingness to finance such non-hard currency earning projects.

No doubt Algerian borrowers, not least Sonatrach, will continue to try to tie up loans which include both Ex-Im-type credits

Porsche turnover stays strong despite strikes

BY GUY HAWTHIN IN FRANKFURT

PORSCHE, the West German high performance car manufacturer, was hard hit by last year's metal industry labour dispute. The strikes depressed production in the 1977-78 business year to July 31 by 6 per cent to just under 35,000 of its fast and expensive sports cars.

This meant that its record of two years rapid output growth was broken in 1977-78. It went up by just under 136 per cent, while in 1976-77 the growth rate was 82 per cent. However, the group was, in any event, expecting a period of consolidation.

This year, the group is expected to return to its former levels of rapid growth. Indeed, in the first five months of 1978-79 cash turnover went up by 25 per cent.

Despite the difficulties in 1977-78, cash sales still rose. Turnover increased from 1976-77's DM 1.1bn to DM 1.32bn (\$611.5m). Admittedly, the 12 per cent growth rate was nothing to compare with the 66 per cent of 1976-77 or the previous business year's 71.1 per cent, but it was a satisfactory performance, considering production was 2,250 units lower than in 1976-77.

Exports remained strong—running at 69 per cent of cash sales. Although this proportion was below that of 1976-77 when it totalled 74 per cent, it was still ahead of the previous business year's 66 per cent.

Profits were also somewhat dented. The net figure fell from DM 17m to DM 10m. Again, however, they were well up on 1976-77's DM 7.5m. The dividend, 20 per cent for 1977-78, remains unchanged from the previous two years, but shareholders will not receive the 8 per cent bonus paid for 1976-77.

Currency rise hits Ciba-Geigy sales

BY JOHN WICKS IN ZURICH

CIBA-GEIGY, the major Swiss chemical concern, suffered a 10 per cent drop in group turnover last year from SwFr 9.94bn to SwFr 8.93bn (\$5.3bn) as a result of the Swiss franc's strength. Without the increase in the currency's value, turnover would have shown a rise of some 11 per cent.

Despite the unsatisfactory state of activity in individual customer industries, the dyestuffs and chemicals division achieved real growth across the group in 1978, with local currency sales rising by 8 per cent. In Swiss francs, however, the division experienced a 13 per cent drop from SwFr 1.97bn to SwFr 1.72bn.

Other major branches also suffered a fall in Swiss franc turnover as the sole result of currency developments. Sales of pharmaceuticals improved by 12 per cent all round in local currencies, with favourable results in "some sizeable markets" and noteworthy growth in leader products, while falling by 9 per cent on a consolidated basis to SwFr 2.56bn from SwFr 2.81bn.

Agro chemical sales expanded in most markets, total turnover in local currency terms improving by 4 per cent; here, the fall in Swiss franc sales was 16 per cent to SwFr 2.08bn. For the plastics and additives division, where sales in local currencies rose particularly sharply in the field of high-grade additives, the corresponding figures were a rise of 14 per cent and a fall of 8 per cent to SwFr 1.64bn from SwFr 1.78bn.

Two divisions managed to show modest Swiss franc growth rates, thanks to sharp increases in local currency sales. These were the Airways group, whose turnover rose by 1 per cent last year to SwFr 390m, and the associated Ilford and Gretag/CX photographic product concerns, with a 4 per cent rise to SwFr 520m. In terms of local currencies, the growth rates here were 30 per cent and 26 per cent respectively. Details of group earnings will be published at the end of next month.

All these securities having been sold, this announcement appears as a matter of record only.



European Coal and Steel Community U.S. \$50,000,000 Graduated Rate Bonds due 1999

- | | |
|--|--|
| S. G. Warburg & Co. Ltd. | Banque de Paris et des Pays-Bas |
| Amsterdam-Rotterdam Bank N.V. | Banca Commerciale Italiana |
| Banque Internationale à Luxembourg S.A. | Credit Suisse First Boston Limited |
| Deutsche Bank Aktiengesellschaft | Dresdner Bank Aktiengesellschaft |
| Société Générale de Banque S.A. | Swiss Bank Corporation (Overseas) Limited |
| Warburg Paribas Becker Incorporated | |
| Algemene Bank Nederland N.V. | American Express Bank International Group |
| Arnhold and S. Bleichroeder, Inc. | Bache Halsey Stuart Shields Incorporated |
| Banca Nazionale del Lavoro | Banco di Roma |
| The Bank of Bermuda, Ltd. | Bank of America International Limited |
| Bank Mees & Hope NV | Bank Gutzwiller, Kurz, Bungeener (Overseas) Limited |
| Banque Bruxelles Lambert S.A. | The Bank of Tokyo (Holland) N.V. |
| Banque Générale du Luxembourg S.A. | Banque de l'Indochine et de Suez |
| Banque de Neufzelle, Schlumberger, Mallet | Banque de Paris et des Pays-Bas pour le Grand-Duché de Luxembourg S.A. |
| Banque de Paris et des Pays-Bas (Suisse) S.A. | Banque Populaire Suisse SA Luxembourg |
| Banque Worms | Baring Brothers & Co., Limited |
| Bayerische Vereinsbank | Berger Bank Aktiengesellschaft |
| Blyth Eastman Dillon & Co. International Limited | B.S.I. Underwriters Limited |
| Caisse des Dépôts et Consignations | Centrale Rabobank |
| Christiania Bank og Kreditkasse | Citicorp International Group Limited |
| Compagnie de Banque et d'Investissements (Underwriters) S.A. | Compagnie Monégasque de Banque |
| Copenhagen Handelsbank | County Bank Limited |
| Crédit Industriel d'Alsace et de Lorraine | Crédit Lyonnais |
| Credito Italiano | Daiwa Europe N.V. |
| Den Danske Provinsbank A/S | Den norske Creditbank |
| Dillon, Read Overseas Corporation | Dominion Securities Limited |
| Euromobiliare S.p.A. | European Banking Company Limited |
| Robert Fleming & Co. Limited | Fuji International Finance Limited |
| Antony Gibbs Holdings Ltd. | Gefina International Ltd. |
| Goldman Sachs International Corp. | Groupement des Banquiers Privés Genevois |
| Hill Samuel & Co. Limited | E. F. Hutton International N.V. Limited |
| Kansallis-Osake-Pankki | Kidder, Peabody International Limited |
| Kuhn Loeb Lehman Brothers International | Lazard Brothers & Co., Limited |
| Lazard Frères & Co. | Lloyds Bank International Limited |
| London & Continental Bankers Limited | McLeod, Young, Weir International Limited |
| Merrill Lynch International & Co. | Mitsubishi Bank (Europe) S.A. |
| Morgan Grenfell & Co. Limited | Morgan Stanley International Limited |
| Nesbit, Thomson Limited | The Nikko Securities Co., (Europe) Ltd. |
| Nomura Europe N.V. | Norddeutsche Landesbank Girozentrale |
| Orion Bank Limited | Österreichische Länderbank |
| Pierson, Halding & Pierson N.V. | PKbanken |
| N. M. Rothschild & Sons Limited | Salomon Brothers International Limited |
| Skandinaviska Enskilda Banken | Smith Barney, Harris Upham & Co. Incorporated |
| Société Bancaire Barclays (Suisse) S.A. | Société Générale |
| Société Privée de Gestion Financière et Foncière Paris | Société Séquanaise de Banque |
| Strauss, Turnbull & Co. | Sumitomo Finance International |
| Tradition International SA | United Overseas Bank Limited, Singapore |
| Vereins- und Westbank Aktiengesellschaft | M. M. Warburg-Brinckmann, Wirtz & Co. Limited |
| Dean Witter Reynolds International | Wood Gundy Limited |
| | Yamaichi International (Europe) Limited |
| | Den Danske Bank at 1971 Aktieselskab |
| | Den Danske Provinsbank |
| | Deutsche Girozentrale — Deutsche Kommunalkasse — |
| | Effectenbank-Warburg Aktiengesellschaft |
| | Eurogest S.p.A. |
| | Genossenschaftliche Zentralbank AG Vienna |
| | Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft |
| | Hambros Bank Limited |
| | Istituto Bancario San Paolo di Torino |
| | Kreditbank S.A. Luxembourgeoise |
| | Lazard Frères et Cie |
| | Loeb, Rosch, Hornblow International Limited |
| | Manufacturera Hanover Limited |
| | Samuel Montagu & Co. Limited |
| | Nederlandsche Middenstandsbank N.V. |
| | Nippon European Bank S.A. |
| | Sal. Oppenheim jr. & Cie. Limited |
| | Scandinavian Bank Limited |
| | Società Finanziaria Assicurativa (FAS Group) |
| | Société Générale Alsacienne de Banque |
| | Sparbankernas Bank |
| | Trade Development Bank, London Branch |
| | United Overseas Bank S.A., Geneva |
| | Westdeutsche Landesbank Girozentrale |
| | Yamaichi International (Europe) Limited |

Milan Bourse sees peak level of new equity

A RECORD number of rights issues on the Milan Stock Exchange was registered last year, but only a small proportion of the capital, possibly around one-fifth, was put up by private investors.

According to official Bourse figures, 33 rights issues last year brought the companies involved 13,250bn (\$3,290bn) in new capital. In 1977, there were 21 rights issues, bringing in 14,900bn in new capital.

But sale of shares at a premium over par brought in only 1,140bn of the total new capital last year, against 1,810bn in 1977. Much of the new capital was put up by majority shareholders or banking consortia, in the absence of demand from private investors.

Rights issues last year included Olivetti's 1,400bn issue, fully taken up by investors, and big issues by state-controlled industry, including steel holding company Finisider and its subsidiary Italsider, backed by the state parent company.

The average daily volume of shares traded on the Milan Bourse doubled last year to 1.916m from 1.438m in 1977, largely as a result of the boom in the market last autumn, Bourse figures show.

Trading volumes have slipped back to about 4m shares daily. The Italian equity market is presently an eighth below the 1978-79 peak.

The Bank of Italy is studying ways of encouraging the use of bankers' acceptances, possibly by freeing them from curbs on banks' maximum lending limits to individual borrowers. Bankers' acceptances would be still likely to come under overall credit growth curbs, but such a measure could encourage wider market use of them, particularly among smaller banks, according to financial sources in Rome.

Export finance credits boost growth by Bawag

BY PAUL LENDVAI IN VIENNA

BAWAG, the Austrian union bank reports a 23 per cent growth in the balance sheet total to Sch 50bn (\$3.7bn) last year. Mr. Walter Floerl, the director general and chairman of the board said that the bank also considerably broadened its foreign activities. This export finance credits rose by 69 per cent to Sch 5bn.

Bawag is financing a major steel project in Ilseburg to be built by the nationalised steel concern Vöest-Alpine in East Germany at an estimated cost of Sch 3.2bn. The Austrian share financed by Bawag amounts to Sch 2.4bn.

Loans last year rose by 24 per cent to Sch 31bn. Mr. Floerl said. He drew attention to the great success of the BZK credits (personal loans organised through the assistance of the shop stewards) which reached a total of 204,000 contracts worth Sch 10.5bn since they were loans from ten years ago. Current figures are 70,000 such personal loans outstanding and it is stressed that the bank had very good experiences with the credit worthiness of the workers and white collar employees. In accordance with their income levels they can now receive personal loans of up to Sch 300,000.

It was this venture which in the opinion of the director general helped to spread the net of Bawag and created the basis for the rapid expansion of the branch offices.

Bawag last year opened 13 new branches thus raising the total to 44. A further 15 branches will be established in the course of this year, primarily in the provinces. Clearly the expansion of the network of Bawag branches plays a major role in the higher than average increase of saving deposits. Mr. Floerl revealed that savings deposits last year were up by 28 per cent to Sch 10.4bn. The overall figure of the average growth for the Austrian credit institutes in the field of savings was only 14 per cent last year.

The bank is primarily owned by the Austrian trades union federation, which has a 65 per cent holding. The consumer co-operatives have the rest and the West German sister institute, Bank Fuer Gemeinwirtschaft, of Frankfurt, has an interest of just under 5 per cent. Since 1971 when Mr. Floerl took over the chairmanship, the consolidated assets of Bawag showed more than a fourfold rise from Sch 11.4bn to an estimated Sch 50bn last year.

Rights issue proposed by Landis & Gyr

BY JOHN WICKS IN ZURICH

LANDIS & GYR, the Swiss-based electrical engineering concern, is to recommend an unchanged parent-company dividend of 10 per cent for 1978, as well as a one-for-15 rights issue.

According to a board letter to shareholders, profits were up by 18 per cent in 1978 to SwFr 4.8m (\$2.74m) from SwFr 4.1m. Most companies in the group are reported to have shown "considerably better" results in terms of local currencies, but the appreciation of the Swiss franc had an adverse effect on overall figures.

Final figures thus show turnover last year lower by 4.8 per cent to SwFr 988m (\$590m) from SwFr 1,038m, instead of what would have been 9 per cent growth at constant exchange rates. Production value fell by 3.6 per cent, SwFr 1,038m, instead of increasing by 11 per cent. New orders received fell by 13 per cent over the year to SwFr 988m with an unchanged Swiss franc, new orders would have risen.

Net profits of Bank Julius Baer amounted to SwFr 9.8m (\$5.9m) last year, or slightly below the 1977 figure of SwFr 9.8m. The parent com-

pany, which is to transfer SwFr 4m of this sum to reserves, recorded a rise in its balance sheet total to SwFr 17.8m compared to SwFr 16.7m. Consolidated assets, including the balance sheet total of foreign subsidiaries of Baer Holdings AG, were up for the year to SwFr 1.2bn against SwFr 1.1bn.

General of Berne Insurance Company plans to expand its re-insurance business by participation, together with an existing American insurer, in a U.S. joint-venture. This move, details of which are expected shortly, is separate from the General of Berne's re-insurance in the international re-insurance company Rhein Ruckversicherungs-Gesellschaft. Growth potential on the U.S. market is seen "as above-average in the medium term."

Some 10 years ago, the General of Berne withdrew from direct insurance activities abroad. The possibility of re-entering this sector of foreign operations is being looked at, but the Swiss company says that no concrete plans have emerged.

Retail turnover of Migros, the leading Swiss co-operative and the country's biggest single

importer of consumer goods, rose by 2.7 per cent last year to SwFr 6.44bn (\$3.85bn), despite stable or slightly declining sales prices.

This increase will probably prove to be much higher than that for Swiss retail turnover as a whole, which rose by only 1.3 per cent in the 12 months ended October 1978.

Migros, which in 1977 had a 13.4 per cent share in the national retail market, expects annual growth in real terms of some 2 per cent over the coming years. Retail turnover given does not include the substantial sales of other Migros sales operations and services. Full figures will be published early next month.

Turnover of Swiss caterer Moevenpick rose by some 4 to 5 per cent last year to over SwFr 350m (\$209m), according to a letter to shareholders. Cash flow, which rose by one-third in 1977, is expected to have risen by just 1.8 per cent to about SwFr 22.8m, although investments went up by some 9 per cent to SwFr 10.7m.

Company president Mr. Ueli Prager writes that prospects for 1979 should be seen in the light of the fall in overnight stays by tourists, restaurant sales and retail turnover booked over the past few months in Switzerland. He says he has "no great hopes" for this year, although he is not despondent.

Among new projects for the group are a motorway restaurant at Weil on the German side of the Basle frontier, restaurant facilities for a casino near Hanover and the building of a hotel in Ulm attached to a congress centre already managed by Moevenpick, in Switzerland. At the same time an hotel and restaurant has been taken over in Chiasso, a storage and refrigerated warehouse is to be opened near Zurich and two "Cindy" fast-food outlets are to be set up.

Restaurant and sales units are also to be opened in the 1979-80 period in Zug, Basle and Zumikon.

Outside Europe, a "Moevenpick" restaurant managed by the Swiss group is to open this spring in El Riyadh, while a further operation is planned for Saudi Arabia next year. A management contract has just been signed for the first Moevenpick restaurant in the U.S.

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

All of these Securities have been sold. This announcement appears as a matter of record only.

\$50,000,000

The Industrial Bank of Japan Finance Company N.V.

Guaranteed Floating Rate Notes Due 1985

Payment of principal and interest unconditionally guaranteed by

The Industrial Bank of Japan, Limited

(Kabushiki Kaisha Nippon Kogyo Ginko)

These Notes have been placed privately by the undersigned.

MORGAN STANLEY INTERNATIONAL Limited

IBJ INTERNATIONAL Limited

CHASE MANHATTAN Limited

CREDIT SUISSE FIRST BOSTON Limited

DEUTSCHE BANK AG (Incorporated in Germany)

DILLON, READ OVERSEAS CORPORATION

EUROPEAN BANKING COMPANY

SAMUEL MONTAGU & CO. Limited

J. HENRY SCHRODER WAGG & CO. Limited

SOCIETE GENERALE

S. G. WARBURG & CO. LTD.

January 22, 1979

All of these Securities have been sold. This announcement appears as a matter of record only.

\$50,000,000

The Industrial Bank of Japan Finance Company N.V.

Guaranteed Floating Rate Notes Due 1983

Payment of principal and interest unconditionally guaranteed by

The Industrial Bank of Japan, Limited

(Kabushiki Kaisha Nippon Kogyo Ginko)

These Notes have been placed privately by the undersigned.

MORGAN STANLEY & CO. Incorporated

January 22, 1979

Malta Drydock raises earnings

By Godfrey Grima in Malta

SHIPREPAIR, shipbuilding and light engineering sales by Malta Drydocks increased to ME15.8m (\$41.6m) last year from ME12.6m in 1977.

Despite fierce competition from rival Mediterranean yards and a continuing decline in shiprepair orders, the yard managed to step up pre-tax profits to ME20,494, a sharp rise on the previous year's profit of ME6,178.

The yard's report said competition from rival yards during 1978 was made worse by the absence of any sign of revival in the shiprepair market. The future for shipbuilding orders was, however, heartening even though competing yards were offering subsidised prices.

During 1978, Malta Drydocks paid ME3.9m for direct labour and ME4.6m for direct materials.

This left the yard with a gross profit of ME7.1m. Overheads cost Malta Drydocks ME5.9m.

The yard, which employs more than 5,000 men, still has an outstanding loan of ME4.1m from the Maltese Government. The funds were provided to finance development.

Air Malta ends link

Pakistan International Airways' five-year association with Air Malta, which covered the leasing of aircraft, maintenance and the training of Maltese personnel, will come to an end in March, writes Godfrey Grima in Malta. This was confirmed by Mr. S. Ali, PIA's corporate development director, who also sits on the Air Malta board. PIA will, however, retain its 20 per cent shareholding in the Maltese national carrier, Mr. Ali said.

Since its inception five years ago, Air Malta has been assuming greater responsibility for its own operations. The company now owns its own aircraft, including the two Boeing 720Es, originally leased from PIA. Air Malta also runs its own maintenance base at Luqa Airport. Several months ago, the Maltese airline concluded an engineering/maintenance accord with Aer Lingus, the Irish Airline.

PIA has played a considerable part in the building up of the Maltese airline, created by Premier Dom Mintoff's government. Other than providing aircraft, engineering and administrative staffs in the initial years PIA has trained 12 Maltese co-pilots and more than 100 cabin staff.

AUSTRALIAN NEWS

APM boosts profits for half year

BY JAMES FORTH IN SYDNEY

AUSTRALIAN PAPER Manufacturers lifted profit 27 per cent from A\$8.29m to A\$10.49m (U.S.\$12m) in the December half-year and the directors expect the improvement to continue.

Group sales rose 44 per cent to A\$233m. The higher sales and profits came despite an eleven weeks' strike at the Botany mill, Sydney. The dispute over the retrenchment of 400 workers. It was finally ended when APM agreed to guarantee employment for some workers for up to twelve months and make severance payment to the remainder. APM has included A\$1.2m in the latest results as an extraordinary item to cover the after tax value of these payments. Total value of the payments was A\$4.2m of which A\$2.2m was paid in lieu of notice.

The directors said that all subsidiaries traded profitably and predicted that favourable trading conditions would continue. Because of substantial investment in new plant and equipment over the past few years, the Board also forecast improved performance in the group's pulp and papermaking operations. APM's other major activities are also achieving

better results so that overall the company is well placed for profitability growth in the period ahead, they added.

The recent acquisition of importer and merchant Brown and Bureau, part of a move to lessen dependence on traditional paper activities resulted in an additional 40 per cent of A\$1.12m. Interim dividend is held at 4 cents a share.

Mauri Bros. and Thomson, the Australian food group, lifted its profit 11.5 per cent from A\$1.55m to A\$1.73m by the November half-year, and interim dividend is increased from 3 cents to 3.25 cents a share.

Last year the company paid a final of 3.25 cents, making a total of 6.25 cents.

The directors attributed the higher result to cost savings and improvements by some sections, particularly those benefiting from recent rationalisation.

The catering and health foods operation recorded higher turnover and substantially increased profits while the grocery division operated at higher turnover and with slightly improved results. The industrial foods division recorded lower earnings.

The directors added that they were budgeting for an overall improvement for the full year.

Gains at Kadoorie plantations

BY ANTHONY ROWLEY IN HONG KONG

TWO HONG KONG-registered plantation companies which recently rejected takeover offers from the Malaysian plantations group, Highlands and Lowlands Berhad, have reported sharply increased profits for the year to September 30.

The two—Rubber Trust and Amalgamated Rubber Estates—along with a third, Shanghai Kelantan Rubber Estates, are all controlled by Hong Kong's Kadoorie Family, and rejected

overtures from Highlands and Lowlands on the grounds that these understated their assets and profitability.

Rubber Trust on January 20 reported after-tax profits of HK\$14.1m (US\$3m), compared with HK\$8.47m in the previous year. The 1977-78 figures included, however, land sale profits of HK\$6.95m. Rubber Trust is paying a final dividend of 15 cents a share, against 10 cents and a cash bonus of 5 cents makes the total distribu-

tion 29 cents a share, against 19 cents.

Amalgamated Rubber's net profits were HK\$9.08m (US\$1.7m), against HK\$5.07m the previous year, although accounting changes made direct comparisons invalid, the board said.

Amalgamated is paying a final dividend of 9 cents a share plus a cash bonus of 3 cents, making a total distribution of 20 cents, compared with 14 cents.

Loss by North Borneo Timbers

BY WONG SULONG IN KUALA LUMPUR

NORTH BORNEO TIMBERS, which was one of the fastest-growing companies in the Kuala Lumpur Stock Exchange during the first half of the 1970s, has reported a loss of 1.9m ringgits (US\$430,000) for the first half of the year and is not declaring an interim dividend.

Mr. Akbar Hydari, the chairman, in his report said that a substantial part of the loss was incurred during the first quarter when trading conditions were very difficult.

The second quarter showed signs of improvement, but losses were also incurred by poor timber extraction, and the closure of an unprofitable contract operation.

For the first six months, ended November, log production was 7.8m cubic feet, compared with 8.4m cubic feet during the same period in 1977.

The losses would have been more severe had it not been for the income from cocoa, which is becoming an important

crop for NBT.

Although cocoa sales rose by only 2 per cent to 726,000 lbs income from the crop, at 2.7m ringgits (US\$410,000), was 217 per cent higher due to the sharp increase in prices.

Mr. Hydari said that since November, demand for timber had improved further, and prices had advanced sharply. He expected the results of the full year to show a modest profit, and the company should be able to pay a 5 per cent dividend.

Toshiba outlook improves

TOSHIBA Corporation has improved outlook to measures revised upwards its forecast of after-tax profit for the year to March 31 to about Y19bn (\$86m) from the Y14.15bn estimated last October. The company also revised upwards its sales forecast to about Y1,230bn (\$8.2bn) from Y1,220bn.

It plans to increase its dividend for the year to Y6 per share, from Y5 last year, when it reported after-tax profit of Y13.92bn on sales of Y1,060bn. Toshiba attributed the

improved outlook to measures taken to cut production costs, and on a rise in the operating rate, which reduced fixed costs.

The operating rate has now risen to 95 per cent from an average 85 per cent last year as a result of increased orders, mainly from the electric power industry, following increased Government spending for public works.

Orders so far received in the second half-year total Y900bn, including a nuclear power plant worth Y200bn from the Tokyo Electric Power Company, compared with orders of Y633bn in the first half-year.

Another factor behind the profit rise, it was said, was the stabilisation of the dollar against the yen in recent months, which improved export profitability. The company suffered an exchange loss of Y9.4bn in the first half, to September, but the loss in the second half-year would decline sharply, it added.

Ito-Yokado issues

ITO-YOKADO Company, the major Japanese retailing company, has authorised a one-for-ten scrip issue, reports AP-DJ from Tokyo. In addition, a new issue of 12.5m shares is planned through underwriters in Japan to be effective March 1. The offering period and the issue price have not yet been determined.

The scrip issue and the new issue—if the issue price is below the then current market price—are expected to result in an adjustment of the conversion price of the company's outstanding convertible debentures which are listed on the American stock exchange.

Interim rise of 2.9% for Kubota

TOKYO—Kubota, a major agricultural machine maker in Japan, said yesterday that its consolidated based net profit for the half-year ended October 15 rose 2.9 per cent above the same period last year to Y10.17bn (\$50.5m).

Consolidated-based sales in the half-year were Y255.17bn (\$1,229bn), up 2.8 per cent from Y248.12bn, the year before. The net profit per American deposit (AD) rose to Y383 from Y160 the year before. One AD equals 20 shares of common stock of its parent company.

Exports in the period were Y24.561bn, 13 per cent more than a year earlier. Sales of agricultural machinery were Y102.785bn, down 12.5 per cent from Y117.522bn the year before.

Sales of industrial pipes were Y73.719bn, up 21.4 per cent from Y60.711bn the year before. Sales of housing construction-related products totalled Y28.342bn, 3.5 per cent more than the Y27.275bn a year ago, AP-DJ.

Makino buys H. & H. stake

By Richard Hanson in Tokyo

MARINO MILLING Machine, the major machine tool maker, has acquired a 25.1 per cent equity share in West Germany's Hiedemich and Harbeck which it will use as a manufacturing and sales base.

Makino paid out DM 1,004m (\$55,000) for the shares, taking half of a new share increase. The Japanese maker of numerical control machine tools will participate in management. It aims to be producing machinery with its technology under the H. and H. Makino brand name from September this year.

The West German company was split from the parent company, Gildemeister, in 1978 permitting the opportunity to acquire a stake.



\$150,000,000

Kingdom of Norway

9 3/4% Notes Due January 15, 1984

Interest Payable July 15 and January 15

This announcement appears as a matter of record only.

Lehman Brothers Kuhn Loeb Incorporated

Goldman, Sachs & Co.

Merrill Lynch White Weld Capital Markets Group

Merrill Lynch, Pierce, Fenner & Smith Incorporated

Salomon Brothers

Den norske Creditbank

Bergen Bank

Christiania Bank og Kreditkasse

Smith Barney, Harris Upham & Co. Incorporated

The First Boston Corporation

Atlantic Capital Corporation

Bache Halsey Stuart Shields Incorporated

Blyth Eastman Dillon & Co. Incorporated

Daiwa Securities America Inc.

Dillon, Read & Co. Inc. Incorporated

Drexel Burnham Lambert Incorporated

E. F. Hutton & Company Inc. Incorporated

Kidder, Peabody & Co. Incorporated

Lazard Frères & Co. Incorporated

Loeb Rhoades, Hornblower & Co. Incorporated

Paine, Webber, Jackson & Curtis Incorporated

UBS Securities, Inc. Incorporated

Warburg Paribas Becker Incorporated

Wertheim & Co., Inc. Incorporated

Dean Witter Reynolds Inc. Incorporated

Bear, Stearns & Co. Incorporated

L. F. Rothschild, Unterberg, Towbin Incorporated

Shearson Hayden Stone Inc. Incorporated

Andresens Bank A.S.

Banca Commerciale Italiana

Bank of Tokyo (Holland) N.V.

Banque Nationale de Paris

Bayerische Vereinsbank

Hambros Bank Limited

Kredietbank S.A. Luxembourgeoise

Orion Bank Limited

J. Henry Schroder Wagg & Co. Limited

Union Bank of Norway Ltd.

Vereins- und Westbank Aktiengesellschaft

Westdeutsche Landesbank Girozentrale

The Bank of Bermuda Limited

Caisse des Dépôts et Consignations

The National Bank of Kuwait S.A.K.

January, 1979

Abu Dhabi Drilling Chemicals and Products Ltd.



U.S. \$14,000,000 Medium-Term Loan Facility

Arranged by

National Bank of Abu Dhabi

Provided by

The Chase Manhattan Bank N.A. Arab Bank for Investment and Foreign Trade

Agent Bank

National Bank of Abu Dhabi

30th December, 1978.

CURRENCIES, MONEY and GOLD

Dollar and pound soft

The dollar and sterling had a softish tone in the foreign exchange market yesterday, but support given to either currency was probably on a small scale.

Japanese Ministry of Finance announced a further easing of capital controls. Trading was moderate, and the rise of the dollar was probably a technical reaction to short covering ahead of President Carter's State of the Union message today.

THE POUND SPOT

Table with columns: Jan. 22, Day's Spread, Close, One month, 3 p.m., Three months, 3 p.m.

FORWARD AGAINST £

Table with columns: One month, 3 p.m., Three months, 3 p.m.

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on January 22, 1979.

Large table with columns: Place and Local Unit, Value of £ Sterling, Place and Local Unit, Value of £ Sterling, Place and Local Unit, Value of £ Sterling, Place and Local Unit, Value of £ Sterling.

THE DOLLAR SPOT AND FORWARD

Table with columns: Jan. 22, Day's Spread, Close, One month, 3 p.m., Three months, 3 p.m.

CURRENCY RATES

Table with columns: Jan. 19, Special European Drawing Unit of Rights Account, Jan. 22, Bank of Morgan England Quotations Index changes %.

OTHER MARKETS

Table with columns: Jan. 22, Argentina, Australia Dollar, Canada Dollar, etc.

Forward sterling was weaker, reflecting continuing fears about the economic and labour situation in the U.K., with the three-month discount against the dollar widening to 1.15 cents from 1.02 cents.

FRANKFURT - The Bundesbank did not intervene when the dollar was fixed at DM 1.8410, compared with DM 1.8350 against the D-mark previously.

PARIS - The dollar was steady, without any apparent reaction to President Carter's latest budget. The U.S. currency closed at FF 423.57, compared with FF 423.57 early in the day.

NEW YORK - The dollar was slightly firmer, but showed little sign of reaction to President Carter's budget, which came as no surprise to the market.

MILAN - The lira lost ground slightly against most major currencies yesterday morning, with the D-mark rising to L483.75 from 453.35, and the Swiss franc improving to L489.25 from L487.71.

AMSTERDAM - The dollar was fixed at F 1.9665 against the guilder, compared with F 1.9680 on Friday.

BRUSSELS - The dollar edged up against most other major currencies, but fell against the yen in early trading, after the

TOKYO - The dollar rose to ¥198.05 against the yen at the close, from ¥197.65 before the week-end, but slightly lower than the opening level of ¥198.80.

EXCHANGE CROSS RATES

Table with columns: Jan. 22, Pound Sterling, U.S. Dollar, Deutsche M, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canada Dollar, Belgian Franc.

EURO-CURRENCY INTEREST RATES

Table with columns: Jan. 22, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, West German Mark, French Franc, Italian Lira, Asian \$, Japanese Yen.

INTERNATIONAL MONEY MARKET

Frankfurt rates firmer

Short-term interest rates in Frankfurt continued to rise yesterday, following the moves by the authorities last week to reduce considerable excess liquidity seen in the money market in recent months.

Sharp rise

Gold rose 34 to close at \$234.83, it opened at \$234.83, and was fixed at \$234.40 per cent, compared with 71.7 per cent in the afternoon.

London money market

The London money market showed signs of nervousness about the industrial situation in Britain yesterday, with fixed period rates in the interbank market tending to rise, although overnight and one-month money was kept down by a general supply of day-to-day funds.

UK MONEY MARKET

Full credit supply

Bank of England Minimum Lending Rate 12 1/2 per cent (since November 9, 1978). The London money market showed signs of nervousness about the industrial situation in Britain yesterday, with fixed period rates in the interbank market tending to rise, although overnight and one-month money was kept down by a general supply of day-to-day funds.

Money Rates

Table with columns: New York, Prime Rate, Fed Funds, Treasury Bills, etc.

Local Authority Bond Table

Table with columns: Authority, Annual Interest, Life, etc.

LONDON MONEY RATES

Table with columns: Jan. 22, 1979, Sterling Certificate on deposit, Interbank, Local Authority deposits, etc.

Money Rates

Table with columns: New York, Prime Rate, Fed Funds, Treasury Bills, etc.

Local Authority Bond Table

Table with columns: Authority, Annual Interest, Life, etc.

Foreign exchange. We deliver competitively. Test us. Midland Bank International

Warner-Lambert Company has sold The Allercreme and DuBarry Product Lines to Alcon Laboratories, Inc. a wholly-owned subsidiary of Nestlé S.A.

Lehman Brothers Kuhn Loeb Incorporated NEW YORK · ATLANTA · BOSTON · CHICAGO · DALLAS HOUSTON · LOS ANGELES · SAN FRANCISCO · LONDON · TOKYO

Adela Investment Company S.A. \$25,000,000 Floating Rate Notes 1983

INTEREST 4 1/2% PER ANNUM. Paid on deposits. Paid Gross No tax. Deductions minimum deposit £200. Minimum period 12 months. Other rates available. Social rates for £5,000 plus. Full particulars from FIRST FAVELL FINANCE LTD.

THE JOBS COLUMN

Time for employers to change their image

BY MICHAEL DIXON

"ESAU my brother is a hairy man, but I am a smooth man." That extract from the Scriptures, which was the text for Alan Bennett's hilarious "sermon" in the 1960s revue Beyond the Fringe, surely typifies the difference in public image between trades union leaders and the representatives of employers' bodies in the United Kingdom.

These paired stereotypes have been appearing on stage, screen and radio for so long that, whenever they are billed to appear before us again, I find myself filled with a desperate hope that this time they will have parted not wisely but too well of the hospitality of the television studios and, having swapped scripts, are going to play their roles the other way round.

Besides affording a much-needed smile, such a reversal would, arguably, be a more accurate representation of the actual state of affairs in society.

Take political standpoints, for instance. The present castings identifies left-wing convictions with the hairy image. But to real life far more of the committed Socialists come from the middle classes associated with the employer figure, than from families with genuine personal experience of what the workers want. If that is not a fact, then why do serious Marxists themselves continually lament it as such?

Moreover, observation suggests that even the moderate spokesmen on the union side often differ in viewpoint from most of the members for whom they notionally speak. By listening to teachers' leaders, for example, one can hardly avoid the impression that 100 per cent of teachers, being excellent at their job, are 30 per cent underpaid. Very much the same figures emerge from my numerous conversations with individual teachers, but not in quite the same way. Their general view is that 30 per cent of their colleagues, being execrable at their job, are 100 per cent overpaid.

Questions

The Esau, on the other hand, do usually look, sound and behave fairly like the majority of the people whom they are supposed to typify, whereas the same could hardly be said of the smooth fraternity. Of the many employers and managers whom I have come across during a lengthy life, the hulk dressed, talked and acted much more like the hairy man than the sleek suited gent who tend publicly to represent their interest.

That, viewed in the light of the all too real difference in the weight of living support the two kinds of stereotype are able to deliver at decisive times, raises two questions.

Could it be that the willingness of members of big organisations to stand up and be counted, is little influenced by whether or not most of the members agree with their leaders' political beliefs and, more importantly, public pronouncements? Is it possible that the measure of support depends more on the extent to which a stereotype looks, sounds and acts like a person with whom the majority of members feels able to identify?

Certainly there must be other, deeper influences at work. But public policy can scarcely ever have been so heavily dependent on pressure-group politics, which in turn must depend more than ever before on the way in which the various groups express themselves through the media.

So it seems probable that the employers' and managers' interest, in particular, could only gain by experimenting with a change. This would be to speculate that, whatever was the case at the Battle of Waterloo, today's economic arguments are unlikely to be won on the playing fields of Eton, and recruit for the management-side groups some spokesmen who clearly have much in common with the majority of the people whom they represent.

As it happens, there are at least two employers' and managers' bodies who have the

chance of conducting such an experiment right away.

The first, and by far the bigger, is the National Federation of Building Trades Employers. Its membership of 11,000 small, medium and large concerns, organised in about 200 local associations in 10 different regions, covers an estimated two thirds of the companies involved in this country's construction sector. And it is looking for a new director-general in London to succeed Martin Grafton when he retires in June.

The second of these openings is for someone to take over from Gilbert Lamb, also in London, who he shortly leaves his job as director of the Incorporated Society of British Advertisers. The society is the part of the Advertising Association which represents, not the agencies, media and so on which in their different ways arrange for advertising to appear, but the concerns whose goods and services are advertised. It currently has about 580 member-companies, from small to large.

By contrast with the building employers' federation which has 390 staff split about 50/50 between the capital and the regions, the advertisers' society has only about a dozen permanent employees located in London. Although no salary figures are being disclosed, I would estimate that there is a considerable difference between

the jobs in that matter, too. My guess would be a £25,000 to £35,000 range for the chief official of the builders' body, and something of around £12,500 for the counterpart at the advertisers' society.

But both posts seem to have something common in potential as well as in their fringe benefits (which I gather include use of a car and possibly—though no more than that—a flat).

One year

The shared potential arises from the fact that in each case the elected head of the body holds office for only one year, with the attendant danger that as soon as the elected leader has become identified through the public media with the interest group in question, he or she is replaced by someone else.

In both cases, therefore, the chief permanent official can make a continuing contribution by acting as a public spokesman for the particular association. And it seems to me that there is good reason for "the common touch" to figure high on the list of qualifications being sought by the selectors. (Applications for the National Federation of Building Trades Employers are being handled by Sir Robin Chichester-Clark of Berntson International, 28 Welbeck Street, London W1M 7PG—telephons 01-955 3470 or 01-486 8281 or

8282. Those for the Incorporated Society of British Advertisers job should be posted, with details of relevant qualifications and experience to High-Darby as chairman of the selection committee, care of Van den Berghs and Jurgens, Sussex House, Burgess Hill, Sussex RH15 9AW.)

Plainly, the matter of public image will be only one of the essential criteria. In each case, the newcomer will need to demonstrate career success of a level and a kind so as to be professionally acceptable to the members of the body concerned. And since both posts call for high-level negotiating and committee work in the less public enclaves of UK affairs, and in the EEC and other international meeting places, serious candidates will need to be fully conversant with the corridors of power, as well as with day-to-day administration.

Even so, I see no grounds for supposing any more that such skills are to be found only among the smooth men of the nation, and so on behalf of the millions who are so frequently subjected to public presentations of the "two sides of industry," I hereby appeal to the two bodies to look favourably for a change, on the character of Esau. He, and the majority of the employers and managers who resemble him, have surely been deprived of their public recognition for too long.

Business Planning Manager

Chingford London c.£9,000 + car.

LRC International, a major organisation in the home health care and leisure markets, with a turnover of over £100M, and is currently looking for a Business Planning Manager who will be responsible to the Group Financial Controller for planning to maximise group profits by assisting divisional managements to develop corporate plans. Essential requirements are a previous business planning experience at a senior level, a proven record of commercial success, administrative skill, negotiating ability and the capacity to communicate at all levels of management. The successful candidate will be a graduate and/or professionally qualified and should ideally have had cross-national experience in a senior planning appointment or in another discipline such as finance or production. Whilst age is not a barrier, it is unlikely that anyone under 30 years of age will have the necessary qualifications or experience. It is anticipated that short periods abroad each year will be necessary and knowledge of at least one other European language would be an advantage. Conditions of employment are excellent and include a Company car, four weeks annual holiday and non-contributory life assurance and pension. Applicants (male or female) should write with full career details in confidence to: Mr David Lloyd, Personnel Manager, Group Headquarters, LRC International Limited, North Circular Road, Chingford, London E5 8QX.

LRC International

MIKE POPE
MONEY MANAGEMENT
APPOINTMENTS
SEEK
L/A MANAGER
(with Director potential) for
leading Money Broker
01-235 0751
30, Queen Street, ECL.

CHIEF ACCOUNTANT/FINANCIAL CONTROLLER
Must offer or have with accountancy qualification and half for administration. It offered increasing position in London-based, worldwide travel services. Excellent prospects and good salary. Write Box 22615, Financial Times, 10, Cannon Street, EC4P 4BY.

Business Analyst

Putney
c£8000 neg

Our future looks good—what about yours?

A new year brings new prospects. But what exactly does the future hold for ICL and you? In 1978 our turnover was up 22% to over £300 million, confirming our position as Europe's leading computer manufacturer. Growth like this obviously means increased opportunities for our staff. This is where you come in.

Are you a business graduate with experience as a financial analyst and at least three years' experience of the computer industry? If so, can you provide the sort of service our corporate management need from a business analyst?

We are looking for a man or woman who will obtain, analyse and compare information on the business performance of companies in the computer and related industries, for use in corporate business appraisals, evaluations and planning. You will be the corporate authority on ICL's financial performance in comparison with other companies. You will also help with financial public relations by participating in discussions with stockbrokers and other financial analysts.

Salary is negotiable according to qualifications and experience, and the benefits are all you'd expect from a market leader, including eligibility for our 1979 Productivity Bonus Scheme.

Sounds like the future you've been looking for? Then write to or telephone Katie Lawrie at ICL House, Putney High Street, London SW15 1SW, Telephone 01-788 7272 ext 2645. Please quote reference FT1164.

International Computers

think computers—think ICL

ICL

An excellent training opportunity—scope to become a full dealer in 6-12 months and for further training in London in 12-24 months



BAHRAIN

CHARLES FULTON (GULF) LTD.—PART OF A LEADING INTERNATIONAL MONEY MARKET BROKERS

Applications are invited from candidates, aged 22-27, who are fluent in Arabic and English and are sufficiently numerate to be trained as Foreign Exchange Brokers. The successful candidate will be trained to deal in local and international currencies and will be expected to travel periodically in the Gulf to visit the Company's banking clients. A strong personality plus the ability to work calmly under pressure is important.

Applications in strict confidence to: J. K. Warren, General Manager, Charles Fulton (Gulf) Ltd, Suite 207, Shakh Mubarak Building, P.O. Box 799, Manama, State of Bahrain. Telephone—259437. Telex—8398.

CASUALTY BROKER, c. £8,000. For experience in North American Dept., City Group, 25 St. James' Garden Appln. 53, Fleet Street, E.C.4. 01-353 7896.

Assistant Stockbroker Manager

Save & Prosper Group are the UK's largest Unit Trust managers and a major force in the Life Insurance and Pension fields. We have £923 million invested on behalf of some 700,000 clients.

We are looking for an Assistant Stockbroker Manager to share responsibility for business development through specified firms of Stockbrokers.

The successful applicant will be fully conversant with investment matters and financial planning, and will possess a detailed knowledge of stockbroker requirements: he or she may already be in a Stockbroking firm.

In addition to personal contact the job will carry responsibility for providing a high quality back-up service in the office covering all aspects of servicing of Stockbroker private client departments.

The importance of this appointment will be reflected in a highly competitive salary and excellent benefits including a car and non-contributory Pension and Life Assurance.

Applications to Gwyn Davies, Group Personnel Manager, Save & Prosper Group Ltd., 4 Great St Helens, London EC3P 3EP.

SAVE & PROSPER GROUP

Credit card sales executives

Carte Blanche International, one of the world's leading travel and entertainment credit card companies, has recently been acquired by Citicorp, the international banking group. Carte Blanche is marketed towards the highest spending segment of the population and we are currently strengthening our outlet affiliates in London and Edinburgh.

We need high calibre sales executives (men or women) to provide the power behind this expansion. If you are 25 or over, have some selling experience and the ability to negotiate at the highest levels then you could be one of them.

Training will be provided. Career opportunities with us could hardly be better. We're growing fast, and so will you.

Salary is excellent and a company car is provided. A very attractive range of benefits—which will add considerably to your earnings in real terms—includes low-cost mortgage and personal loan plans and non-contributory pension.

Please write with full career details to:

A. G. M. Burden,
Sales Director Europe,
Carte Blanche International
Limited,
Confederation Life House,
50/52 Chancery Lane,
London WC2A 1HL.



CHIEF ACCOUNTANT

£8,000-£10,000

We are a fast expanding company in the heating industry involved in import/export with a national sales force and act as sole distributors for a number of leading international companies.

We are looking for a person, preferably a Chartered Accountant, in his or her early 30's to take charge of all accounting functions. Experience in foreign exchange/banking procedures is important and the candidate should also have experience in introducing computerised stock controls and must have good accounting/administrative qualities, strongly slanted towards profitability.

The successful candidate will receive the usual fringe benefits and can look forward to challenging career prospects with commensurate earnings.

Apply in confidence to:

The Managing Director, Hill-Foster Ltd., Hill-Foster House, 262, Uxbridge Road, Hatch End, Pinner, Middlesex HA5 4HS. Tel.: 01-428 0266.

Charles Barker Confidential Reply Service

Please send career details, listing separately employers to whom we should not forward your reply, to Charles Barker Recruitment Ltd., 19th Floor, Kennedy Tower, Snow Hill Queensway, Birmingham B4 6JB.

FINANCIAL ANALYST
c.£8,000 The Midlands

A major manufacturing and retailing company, based in the Midlands with a turnover in excess of £1,000 million from its operations in the UK and Western Europe, wishes to appoint an experienced professional to its Central Finance Team.

Reporting to the Financial Planning Manager, the primary duties of this interesting and responsible position will be the evaluation of acquisition prospects; development opportunities and disposal proposals; assessment of competitor performance; financial analysis of industries of interest and review of external financial comment on the Group. There will also be some involvement in internal financial investigations and reviews.

The ideal candidate, male or female, aged 26/32, will be a qualified Accountant or a graduate in a numerate discipline with practical experience in acquisition or investment analysis. The ability to understand and explain underlying financial and economic concepts to senior management is essential.

Starting salary is negotiable c.£8,000 (higher for an outstanding candidate), with pension, free life assurance and help with removal expenses if necessary.

Please write reference M.275 on envelope.

SENIOR LEGAL OFFICER
REQUIRED FOR SERVICE IN KUWAIT
£20,000 p.a.

The Company is a major oil company with a multi-national workforce employing over 4,000 people. Its rate of development has now created a need for a Senior Legal Officer to be responsible for the legal aspects of contracts relating to major construction projects. The principal functions of this post are—

Drafting and preparation of legal documents (in English);
Contract and tender negotiation;
Negotiation and settlement of claims.

Applicants must be Barristers or Solicitors currently engaged in the commercial law field having at least eight years' experience of contract work relating to major construction projects. Ideally they will be under 45 and able to demonstrate their effectiveness in a demanding and complex environment.

Conditions are excellent and comprise—

Air-conditioned accommodation at nominal rates;
Free medical care;
42 days' annual return leave with paid return passage to home or return;
Extensive recreational facilities;
Biannual return flights for children educated outside Kuwait;
Assistance with the cost of education for children;
Open-ended contract with a three months' notice clause.

The total remuneration package consisting of basic salary, cost-of-living allowance and annual service benefit will be Stg. £20,000 (approx.) (at the current rate of exchange) paid locally in Kuwaiti dinars. Local salaries are at present tax free and are fully transferable.

Interviews will be conducted in London. Applicants should write to: Mr. B. D. S. Lock, Messrs. Coward Chance, Royex House, Aldermanbury Square, London EC2V 7LD.

Head of Marketing and Sales
Travelers Cheques UK

American Express have a vacancy, based in Central London, for a Regional Vice President responsible for the marketing and sales of its travelers cheques throughout the United Kingdom and Eire.

The position is accountable for maximising profitable sales of American Express travelers cheques throughout the region in banks and other selling outlets.

The position reports to the Vice President—Marketing and Sales, Europe, Middle East and Africa, and offers excellent development opportunities.

Applicants should have comprehensive marketing and sales experience, preferably in banking or a financial environment. The successful candidate will possess excellent interpersonal skills.

The company offers a first class salary and excellent fringe benefits including a car, mortgage assistance and free pension and life assurance schemes.

Applications including details of career to date should be sent to: P. Langston, Personnel Director—Travelers Cheques, American Express, Edward Street, Brighton, BN2 2LP.



هكذا من العمل

Marketing Services Manager

In recent years Save & Prosper Group has diversified its operations significantly so that now in addition to being Britain's largest unit trust group we have a major interest in life assurance, pensions and annuities both for U.K. residents and expatriates.

We now wish to recruit a Marketing Services Manager. The role is to take increasing responsibility for the planning and execution of tactical marketing plans for our wide range of products as well as acting as Deputy to the Group Marketing Manager when required.

The person we seek will, if not professionally qualified, need to have a deep understanding of the technical aspects of financial products as well as significant experience or ability in the marketing of financial services. Salary is negotiable in the region of £10,000 p.a. with car.

Applications to Gwyn Davies, Group Personnel Manager, Save & Prosper Group Ltd., 4 Great St Helens, London EC3R 3EP.

SAVE & PROSPER GROUP

EUROBOND - DEALER IN FRANKFURT

Our Bank has been in operation for 3 years, dynamic and fast-growing, specializing in corporate finance for Scandinavian and German enterprises. It is our intention to further expand our bond trading with international investors and banks.

We are looking for a young, skilled and knowledgeable Eurobond Dealer, who is interested in broadening her/his professional experience by future involvement in German domestic bond operations as assistant to our Chief Bond Dealer.

Applicants, male or female, should be fluent in both the English and German language. Attractive remuneration.

Deutsch-Scandinavisches Bank AG

Alte Rothofstrasse 8
D 6000 Frankfurt a.M.
Telephone (0611) 20 471

APPOINTMENTS

Jack Laird to be Bridon chairman

Mr. Jack Laird has joined the Board of BRIDON and will become chairman following the annual meeting in May. Mr. Harry Smith is relinquishing his position as chairman and as a director and will be appointed president. Mr. Smith is chairman of the Reok Organisation.

To take up his new post, Mr. Laird will be resigning as chief executive and from the Board of the STEELTYL COMPANY at the annual meeting in April. Mr. Tom Boardman, chairman of Steeltyl, will then assume executive responsibility for that group.

Other changes at Steeltyl are Mr. David Donne to be deputy chairman; Mr. Alfred Beard, managing director responsible for UK and other European operations; Dr. B. J. Gilpin, technical and development director of the group; and Mr. Alfred Beard as chairman of Steeltyl Chemicals.

Mr. L. G. Hall, a director and general manager of the Clerical Medical and General Life Assurance Society, has been elected

but remains on that board. At David Brown-Vosper (Offshore), Mr. W. A. Taitford becomes managing director. Mr. J. B. Gray financial director. Sir John Rix continues as chairman, and Mr. K. D. C. Ford joins the board as a non-executive director.

Mr. W. R. Alexander has been appointed chairman of DOMNICK HUNTER ENGINEERS in place of the late Mr. E. C. Glendon. Mr. R. E. Baker has become deputy chairman and Mr. B. Thompson has taken over as managing director from Mr. K. R. Domnick, who is moving to the U.S. as president of Domnick Hunter Incorporated, a subsidiary. Mr. Domnick remains a director of the parent concern.

Mr. R. A. Davie takes over as managing director of POLY-STYLE PUBLICATIONS this month from Mr. A. C. Thorn, who has retired. Mr. Davie was development executive with Argus Press, the parent company.

Mr. Frank Blashill, who joined SWINTON INSURANCE BROKERS (COUNTRYWIDE) in 1971 as general manager, has been named director with special responsibilities for branch offices. Mr. Michael Wheawell, an internal accountant to the group for ten years, has been appointed financial director.

Mr. W. G. F. Digham, a director and deputy general manager of SOUTHERNPRINT, has become general manager in place of Mr. R. E. L. Pullman, who has retired. Mr. G. L. Cannings, production director, is now deputy general manager and Mr. E. E. Rowland has joined the Board as works director. Mr. J. M. B. Section has become company secretary. Mr. A. C. Haver, marketing manager, Mr. D. J. Budden, production manager, Mr. F. C. Loxton, acting works manager, and Mr. C. J. Owen, assistant marketing manager.

Mr. Peter Johnson has been appointed treasurer of REDLAND in succession to Mr. Adrian Bailey, who is leaving the company to take up a senior academic post.

Mr. Henry R. M. Hodding has been appointed chairman of SAINT PIRAN.

Mr. S. J. Murphy has been appointed to the Board of HELICAL BAR and continues as company secretary.

Mr. B. E. Marsh, Mr. D. Prince and Mr. P. E. Watson have been appointed deputy chairmen of BAIN DAWES and Mr. F. D. Cash becomes a director.

Mr. A. D. Brazier has been appointed technical director of BUNZL ADHESIVE MATERIALS at Scarborough.



Mr. L. G. Hall

chairman of the LIFE OFFICES ASSOCIATION in place of Mr. P. W. Sharman. Mr. E. Wynn Owen has become deputy chairman of the Association.

Mr. Alan Taylor has been appointed energy utilisation co-ordinator of VICKERS. He will carry out an evaluation of total energy utilisation in all its forms throughout Vickers UK establishments to enable each plant to improve energy management and provide performance data. Mr. Taylor, who was chairman and managing director of Vickers Stenswood Works, Newcastle-on-Tyne, will be based at the Newcastle office of International Research and Development Company, and will report to Dr. Bill Willifits, Vickers assistant managing director.

Dr. Norman W. Rogers has been nominated for the position of resident manager Moscow for JOHN BROWN AND COMPANY and will shortly be appointed a director of John Brown (Overseas).

As the result of a ballot of reinsurers in membership of the BRITISH INSURANCE BROKERS' ASSOCIATION, the following have been re-elected to fill the vacancies on the Brokers' Reinsurance Committee: Mr. E. B. Jenkinson, C. T. Gowran and C. G. C. Williams (Insurance); Mr. J. J. V. Scott, Fenchurch Reinsurance Brokers; Mr. A. T. Traill, Traill Attenuhough; and Mr. D. K. L. White, Alexander Howden Insurance Brokers. At the recent committee meeting, Mr. Derek Williams of Witham, Poland, Reinsurance Brokers, and Mr. Robin Copeland, Riland Payne Reinsurance Brokers, respectively, were elected chairman and deputy chairman for 1979.

The following have joined the Board of SPAR (UK): Mr. Morton R. Middletditch (secretary), Mr. John L. Stanton (trading), Mr. Michael A. Stockbridge (trading) and Mr. Raymond F. Tucker (advertising and promotions).

Mr. Alan Griffith has been appointed managing director of SINGLE BUOY MOORINGS (DBV) and has relinquished the managing directorship of DAVID BROWN-VOSPER (OFFSHORE).



Mr. A. D. Brazier

He was formerly technical marketing manager with National Adhesives and Resins.

Mr. Michael Abrahams has been elected president of the BRITISH CARPET MANUFACTURERS' ASSOCIATION.

Mr. J. P. Marshall has been appointed to the Board of NORMAN FRIZZELL UNDERWRITING.

Mr. Robin Gill, chairman of Standard Industrial Trust, has been appointed a director of HEWLETT-PACKARD.

ASSISTANT GROUP ACCOUNTANT/SECRETARY

SALARY £8,000pa;

Central London

A successful public group of engineering companies with a turnover in excess of £20m, managed by professional managers, requires an Assistant Group Accountant/Secretary.

He/she will be responsible for the central accounting activity and will work with the Group Financial Controller on corporate financial matters. In addition he/she will be responsible for providing an administrative service covering all aspects of the secretarial function for a public group of companies.

Applicants should possess an accounting qualification. A secretarial qualification would be an added advantage. Please reply, in confidence, to The Company Secretary, Box A 6607, Financial Times, 10 Cannon Street, EC4P 4BY, enclosing a full curriculum vitae.

RETAIL ACCOUNTS MANAGER

£ 65,000 We require an experienced Manager (male or female) to run our new Retail Accounts Department and Cash Desk. The successful applicant will control a staff of 30 running a computerised system covering 3 shops with a turnover of £1m. He/she will be an edge-rate position with a knowledge of credit control. Please send full details of qualifications, experience, to: Mr. R. Lawson, Personnel Manager, Telephone: 01-836 1666

Heal & Son Holdings Ltd 196 Tottenham Court Road London W1A 1BU



01-828 8055/7361

Churchill Personnel Consultants Abford House, 15 Wilton Road, London SW1V 1LT.

FINANCIAL CONTROLLER THE GULF

An expanding financial institution located in the Gulf requires an experienced controller to assume the total responsibility for the accounting and reporting functions.

Our requirements include a degree, CA certificate and five to seven years experience in a bank, merchant bank or similar institution. The compensation package includes a salary up to £14,000 tax free. In addition we offer a housing allowance and annual travel allowance.

For immediate consideration, send your C.V. to Box A 6609, Financial Times, 10, Cannon Street, EC4P 4BY.

CONTROL YOUR CREDIT

4.5 to 5,000 AAE As a problem solver you could do well in this company involved in theatre and travel. The challenge is creating the consumer credit leaders and the system generally could be yours by contacting Judi-Ann Roscoe on 823 8055.

01-828 8055/7361

Churchill Personnel Consultants Abford House, 15 Wilton Road, London SW1V 1LT.

SECRETARIAL APPOINTMENTS

Chairman's Secretary

REGENT'S PARK

This is an attractive opportunity for a secretary who enjoys the stimulus of responsibility at top level, with a salary to match. As the country's leading motor distributors, Henlys are offering all the benefits of a major organisation including car parking facilities and staff restaurant. Our offices, adjacent to Great Portland Street Station, are convenient for the centre of London. Please apply in writing with full details of experience to date to: G. R. Chandler, Henlys House, 385-387 Euston Road, London NW1 3AX.



PART OF THE NATIONWIDE HENLY ORGANISATION

IF YOU ARE READING THIS PAGE

then you are, perhaps, thinking about a new job. We have vacancies for college leavers and executive secretaries, PAs and bilinguals. The posts are in Central London, surrounding counties and on the Continent and offer good salaries and, more important, job satisfaction. Do ring, even if this is the "maybe" stage, or send c.v. to:

Barbara Speck
COSSA INTERNATIONAL
(International Personnel Selection)
Piccadilly House, 35 Regent Street, S.W.1
Telephone: 01-734 9186

ARISE WITH GUINNESS!

Personnel/Adm. Asst. 30+, for PR Organisation W.I. Responsible mainly to M.O. and Personnel Director. Some previous personnel experience essential and knowledge of legislation. Recruitment responsibility for Secretaries and Executives occupies 50% of time and rest to related admin. Strong, warm personality. Able to delegate. Flexible and fair to employers. £5,500 p.a.

S.W.1. Bilingual English/German PA/Sec. 25-35 for M.O. of English office of American Group producing health products. Must have strong letter writing skills. Good knowledge German for letter writing, translation. Needs initiative, stretch and ability to cope additionally personal work. £5,000 p.a.

S.W.1. Solicitors office unusually attractive post to Receptionist, 25-30. Good guide typist able to cope with all queries. All areas available at the most informal and best-informed job consultancy in town.

JOYCE GUINNESS BUREAU
21 Brompton Arcade
Brompton Road
Knightsbridge, S.W.3
(Brompton Arcade is a few steps from Knightsbridge Tube Station, Stene Street exit)
01-589 8807 or 01-589 0010

THE RECRUITMENT CONSULTANTS

EXECUTIVE SECRETARY £5000

Your organisational and excellent secretarial abilities will prove invaluable to the Chairman of this leading public holding company with diversified subsidiaries. If you enjoy deputising in the boss's absence, a busy and varied day will be yours! Age 25+

SENIOR SECRETARIES
Recruitment Consultants,
173 New Bond Street, W.1
01-499 0092 01-493 5907

NOT JUST A TEMP!

You are an important person to us and we are looking for a permanent secretary with the right skills in the right place. Top rates paid in the current week, or come in to see us now - you're not just a temp! Come in to see us now.

JOYCE GUINNESS BUREAU
21 Brompton Arcade, Brompton Road, (Brompton Arcade is a few steps from Knightsbridge Tube Station, Stene Street exit)
Tel: 01-589 8807 or 01-589 0010
THE RECRUITMENT CONSULTANTS

NEWLY INCORPORATED property company requires 2nd secretary (radio) with profit responsibility and able to work on own initiative. Lustrous office near Oxford Circus Underground. Age 21-35. Salary £4,000 p.a. Telephone 636 5355

SECRETARIAL STAFF at all levels required by Merchant and Investment Bankers. Mrs. Austwell, C.S. Consultants, 01-236-0731.

FINANCIAL ANALYSTS

£ 65,000 AAEs Keen to join an international company offering exceptional professional growth and generous benefits including product discounts? You are receiving great satisfaction whilst qualifying in banking know-how in accounting for management and marketing, setting up new sales systems and budgeting. Gresso this challenge, call Graham Ader on 823 8055, early interview - 8.25 AM.

01-828 8055/7361

Churchill Personnel Consultants Abford House, 15 Wilton Road, London SW1V 1LT.

COMPANY NOTICES

SOURCES for the Company, WORLDWIDE INVESTING

DIVIDEND ANNOUNCEMENT

The Trustees of Worldinvest Income Fund are pleased to announce a Div. 5.00 per share distribution to shareholders in respect of the half-year period from 1 July 1978 to 31 December 1978, and also any previously unclaimed coupons may be presented on or after 1 February 1979, to any of the following paying agents: Bank of America N.Y. & S.A. St. George's Building, 100 Broad Street, New York, N.Y. 10046, USA; Hope Kings, BankAmerica Trust and Banking Corporation (Bahamas) Limited, Nassau, Bahamas; Bank of America International, 85 Boulevard Royal, Luxembourg; BankAmerica Trust Company Limited, 11 Spinnagoose, Jersey.

Payment will be made subject to any applicable local or other regulations within fourteen days of such payment. For further details contact BANKAMERICA TRUST COMPANY, JERSEY LIMITED.

PROFESSIONAL MANAGEMENT

£7,000 NEG. Motivated, well organised and professional? You enjoy supervising staff, designing new systems, allocating work load and liaising with clients. Then be the best of this medium size company and earn your potential in a pleasant environment. Prospects are excellent. Call Ursula Ader on 823 8055 today!

01-828 8055/7361

Churchill Personnel Consultants Abford House, 15 Wilton Road, London SW1V 1LT.

TRAVEL

COSMOPOLITAN 79

Villas & Windmills

Our full colour brochure is now available with a selection of some of the most sought-after villas and windmills on the magical islands of Corsica and Crete. Price from £125 pp week - £258 incl. day flight and meals. World last summer's best and ring NOW! 01-828 1232 COSMOPOLITAN HOTEL DAYS, 16, Dover St., London, W.1. ARTA ATOL 2138

WE LEAD, OTHERS FOLLOW

Rights to Canada, Copenhagen, South America, Middle East, India, Pakistan, Far East, North West, East Africa, Australia, Je'burg and many other Worldwide destinations. Tel: 01-439 2366/724 2245/439 2266.

UNITED AIR TRAVEL

5 Coventry Street, London, W1
Air Agents

GENEVA DAILY JET FLIGHTS

from Geneva, Switzerland. Return from £60.00 return. Bookings 01-551 2191. SWITZERLAND. Excellent food and service. Great value ski holidays. 24 hours. Agts. ATOL 7626.

ART GALLERIES

AGNEW GALLERY, 43 Old Bond St. W.1. 01-222 6172. 1968 ANNUAL WATER COLOUR EXHIBITION. Until 28 February. Mon-Fri. 10-6. Sat. 12-5. Sun. 12-5.

FELDBERG GALLERIES, 63, Queens Gate, W.1. Telephone: 01-262 5606. CONTEMPORARY BRITISH ART. Mon-Fri. 10-6. Sat. 12-5. Sun. 12-5.

FITCHER FINE ARTS, 25, The Strand, W.C.2. Telephone: 01-222 5606. EXHIBITION including Henry Moore, Paul Nash, Eric Schreyer, etc. Mon-Fri. 10-5.30. Sat. 10-12.30.

FINE ART SOCIETY, 148, New Bond St. W.1. 01-429 5116 BRITISH ARTS. 18th-20th Century.

OMELL GALLERIES, 40, Athemarie Street, Piccadilly, W.1. ANNUAL END-OF-YEAR CLEARANCE OFFER OF FINE PAINTINGS & WATERCOLOURS. MANY AT GREATLY REDUCED PRICES FROM £50.

TRACERAY GALLERY, 18, Waterloo Place, W.1. Telephone: 01-837 5883. WINTER EXHIBITION. Until 17 February.

THE PARKER GALLERY, 23, Albemarle Street, Piccadilly, W.1. Exhibition of Oil, marble, milk and wax and sculpture. Great variety of price and paintings and other models.

Conference? Seminar?
Company Meeting? Reception?
Film Preview?
Advertising Presentation?

There's no need to hunt around the West End for a suitable venue or viewing theatre. The FT Cinema, here in the City, offers seating in comfort for 50+ people. Full 16mm film projection facilities. National Panasonic 1/2" colour video tape and Philips 1501M video cassette viewing. Electronic 3601 slide presentation system. And luxurious private dining rooms with extensive catering facilities.

FINANCIAL TIMES CINEMA
All enquiries to: E. J. Darrer, Cinema Manager,
The Financial Times, Bracken House, 10 Cannon Street,
London EC4P 4BY. Tel: 01-248 8000 (ext. 670).

CLASSIFIED ADVERTISEMENT RATES

	per line	single column
Commercial and Industrial Property	5.30	16.00
Residential Property	2.30	9.50
Appointments*	5.30	16.00
Business & Investment Opportunities, Corporation Loans, Production Capacity, Businesses for Sale/Wanted	6.25	19.00
Education, Motors, Contracts & Tenders, Personal, Gardening, Hotels and Travel	5.00	15.00
Book Publishers	3.00	12.00
		8.00

Premium positions available (Minimum size 40 column cm.) £1.50 per single column cm. extra
For further details write to:
Classified Advertisement Manager,
Financial Times, 10, Cannon Street, EC4P 4BY.

APOLLO

Edited by Denis Sutton
The world's leading magazine of Arts and Antiques
Published Monthly price £2.00. Annual Subscription £25.00 (inland)
Overseas Subscription £28.00 USA & Canada Air Assisted \$56
Apollo Magazine, Bracken House
10 Cannon Street, London EC4P 4BY - Tel: 01-248 8000

Whessoe build gas tanks

Whessoe Heavy Engineering (Whessoe Group) has been awarded a storage contract valued at about £1.3m from Amoco (UK). The contract covers fabrication and erection of three 36 metre diameter by 19 metre floating roof tanks each with a storage capacity of 19,000 cubic metres of naphtha; two 16 metre diameter propane spheres, each with storage capacity of about 2,400 cubic metres, and two butane/butylene spheres (11.5 metre diameter and 14.5 metre diameter) with a combined storage capacity of about 2,400 cubic metres.

A contract worth more than £2m for the repair and maintenance of Esso rail tank cars has been awarded to POWELL DUFFRYN WAGON COMPANY, Cambrian Works, Cardiff. About 2,000 tank cars are involved and the work is spread over five years. As a result of the order the company's Radyr wagon repair depot will double its capacity, and Powell Duffryn wagon maintenance depots will be established at 10 Esso oil depots and refineries. All major repairs and overhauls will be done at Cambrian works.

SULZER BBOS. (UK) has received an order worth over £1m from Sim Chem for UKF Fertilisers' new nitric acid plant at Ince. UKF Fertilisers (previously known as Shellstar) have decided to use the Stamicarbon nitric acid process which has a high tail gas temperature of normally 630 deg.C with a possible maximum of 700 deg.C. To accommodate these high temperatures, Sulzer will supply a high temperature expander which has blade cooling.

Saudi Airlines has awarded a contract worth £400,000 to SSI FIX EQUIPMENT to provide centralised stores and warehouse installations which will be supplied and erected by SSI, consists of steel shelving with steel hook pallets and trays manufactured to special requirements. SSI Fix Equipment has also won a contract for storage systems worth £150,000. Equipment will be delivered to ordnance depot Liphook and will be distributed by RAOC. The order comprises a shelving system, louvered panels and plastic containers including 8,000 storage containers. The shelving installations are supplied with cladding and security doors.

Orders worth over £450,000 have been placed with GEC-ELLIOTT PROCESS AUTOMATION—a GEC-Marecon Process Control company—by Leyland Vehicles for a multi-computer system controlling monitoring and computer test results from a new technical centre at Leyland.

Technical News

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

TRANSPORT

Brakes add power

SAVINGS OF as much as 20 per cent in fuel consumed by city buses are claimed for early models of energy-recuperating equipment based on a method of absorbing braking forces and storing the energy thus absorbed for later use.

Regenerative braking, as this is known, is not a new topic, but the Berlin Technical University's approach, which has been supported by extensive work at Maschinenfabrik Augsburg-Nürnberg, has several novel characteristics. It is to be applied on buses to be put into operation in Berlin over the next several years.

The Institute of Automotive Engineering at the university describes its system as a hydraulic hybrid and has disclosed that 50 units are to be built by MAN for Berlin buses. That company is presently building prototypes of both double-decker and single-decker buses, incorporating some of the experimental results deriving from the operation over the past several years of a test vehicle.

Regenerative equipment on the buses consists primarily of a hydraulic accumulator and a converter. Using the accumulator, energy can be stored with 90 per cent efficiency and high energy density. At the same time, the continuously variable hydraulic pump/motor recovers this stored energy simply and efficiently (around 90 per cent). But the diesel engine remains the main energy converter within the propulsion system.

In operation, on braking, a compressor pumps oil from a low-pressure reservoir into a high-pressure container, the pumping power coming from the brake system. This energy is contained while the vehicle is stationary and released when it pulls away into the pump/motor system to provide

extra driving power to the road wheels.

Developers anticipate that in later models of the system, fuel economics considerably higher than 20 per cent will be achieved. Other claims for the propulsion system are that MAN has succeeded, in its design, in reducing exhaust emissions of polluting gases by a considerable margin and that driver comfort is very greatly improved, as is that of passengers.

This stems from the fact that the vehicle starts and stops very smoothly, while the diesel engine is operated under an optimum regime, and is thus far quieter compared with other vehicles in this category.

ENERGY

Recovering heat from stale air

HEAT WHEELS, which recuperate energy from exhaust air in industrial and large commercial premises, are beginning to be installed around the country in increasing numbers. But so far they have not made their appearance to any great extent in systems designed for domestic use.

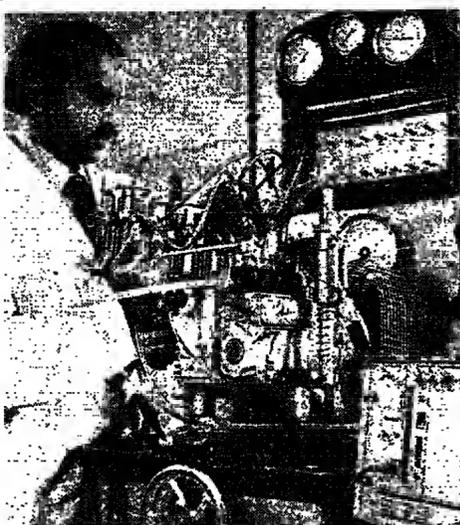
Now, a Norwegian company (Norlett, N-1801, Askim, Norway) has come out with a ventilation/heat recuperation unit which it believes can cut the total energy bill in a home by some 15 per cent, based on the premise that something like 40 per cent of heat supplied to a house is lost through ventilation.

The equipment draws warm air from kitchen, bathroom and toilet facilities through a heat exchanger unit, transferring some 40/50 per cent of the contained energy to incoming fresh air.

When forced ventilation is required, such as when the housewife is having a "cook-in," this is automatically provided and switches off as soon as demand declines. The incoming fresh air is filtered.

Five components include the heat wheel exchanger, stove hood, inlet filter, self-adjusting valves and insulated flexible ducting.

Norlett is seeking a UK representative and claims both low running costs and a short payback time for this heat recovery system.



A diesel fuel injection system undergoing tests in the research laboratories of SGRD (a contract research and development company in the Lucas CAV group) at Park Royal, West London. The latter is using a technique called thin layer activation, a wear measurement technique developed by the Atomic Energy Research Establishment at Harwell, Oxfordshire. At Park Royal a high pressure injection pipe that has had a special "spot irradiation" at Harwell is being run alongside other pipes. As the inside of the pipe is worn away the debris is collected by a filter system. The amount of debris is determined by measuring the level of radioactivity in the bliter. From this the wear rate is calculated. At SGRD, wear had been detected to the sensitivity of 0.005 micrograms per hour, using this method. Research staff at Lucas CAV are finding this layer activation a useful tool for fundamental investigations relating to the wear and lubrication processes in fuel injection systems, and thus a valuable design aid in producing more acceptable systems.

SAFETY

Preventing boom drops

SWEDISH MAKER of numerical controlled lathes and nibbling machines, SMT-Pullmax AB, has developed a safety system for application to hydraulic hoses, designed originally to meet national safety demands in Sweden and France.

Basic component to the Pullmax safety system is a leak-sensing valve. Applied to the operating systems of such equipment as hydraulic excavators and tractor back-hoes, it will prevent unexpected and dangerous boom drops. It would be suitable for incorporation on

many other kinds of heavy duty hydraulic units. The controller will fit easily to all types of hydraulic cylinders and control systems—double or single—acting cylinders with manual or pilot-operated control valves.

An additional function of the equipment is manually operated locking, preventing the creep caused by internal leakage on a machine used for lifting operations.

More information on the system from SMT-Pullmax, P.O. Box 10, Gothenburg, Sweden.

PROCESSING

Weight indicator

AN EIGHT-CHANNEL indication unit driven by a micro-processor and intended for processing weighing has been introduced by Bofors Electronics for use with the company's XIS shear force load cells.

Known as the BD44 the unit complies with appropriate European specifications and is designed to use zener diodes in "zone one" intrinsically safe areas. With the shear force cell, hulk storage, batching and

blending operations can be carried out up to 1200 tonnes to system accuracies of better than 0.1 per cent.

Use of the micro enables a number of built-in facilities to be provided including gross and net weight on a six decade display, push-button tare, in motion detection (no read-out until any load incrementing has stopped), zero maintenance, true zero indication, scale selection, electronic calibration and automatic fault diagnosis.

TEXTILES

Coping with big hanks of yarn

THROUGHOUT the textile industry there is a general trend towards larger packages and larger rolls of yarns or fabrics. In the carpet trade bigger yarn packages have come to be accepted and although much of production is still visibly traditional, the units being handled are very much bigger than ever before. A simple move towards a bigger unit weight brings appreciable economies.

In yarn processing, for example, skein dyeing has long been accepted, with comparatively small hanks of yarn being handled. In the final stage these have been rewound from hank to bobbin and when one hank is rewound it is tied to the end of the next one. This means handling many small packages and incorporating knots into yarn that needs to be as free from them as possible.

Normally yarn will be dyed in hank as it ensures even coloration of the strands throughout. These are then given a hydro-extraction after a rinse, before being dried.

With the move towards bigger and bigger packages there has come a need for a specially designed dryer that can cope with

bundles of yarn that are longer and heavier than ever before. These are commonly known as jumbo hanks.

A machine has been developed in Leeds by A. N. Marr. Selling agent: Border Textiles (UK), Blakehill Works, Bradford Road, Idle, Bradford, Tel. 0274 61321) which is a company long known in the carpet trade and among the Yorkshire dyers for its drying equipment.

The new Marr machine can handle hanks up to 5 kg dry weight at a rate of some 1,000 kg/hour and with energy savings of up to 75 per cent compared with earlier types of machines.

Wet hanks of yarn are loaded on to a monorail conveyor that makes six passes through the chambers of the machine emerging completely dry and ready to be doffed at the other end. It is claimed that only about 1/2 lb of steam is required by the new machine to dry 1 lb of wet yarn.

By introducing a series of special baffles in the chambers so that they just touch the bottom of the hanging hanks of yarn, and by blowing hot air along the chamber, the drying atmos-

phere is forced to pass through the hanks.

With these new giant machines the yarns will have a dwell in the chamber of some 2-3 hours and the drying can be adjusted accurately between from 50 per cent down to 15 per cent regain.

Unlike the old "pole" dryers the new machine does not require that hanks be turned to avoid uneven drying and when the hanks emerge from the chamber their moisture content is quite evenly distributed throughout the entire length of yarn.

The machines are built with various capacities—400, 550, 700, 850 and 1,000 kg/hr, with installed power requirements of 30, 40, 40, 50 and 55 kW respectively.

Because of the improved design of the stainless steel conveyor units, the yarns are much more gently handled. Unlike the compression effects encountered with some other drying systems, this leads directly to more tangle-free unwinding on to cones and so reflects in a very much improved winding room efficiency.

Tension will remain constant

IN TEXTILES the rate of manufacture in all sectors continues to rise and the size of packages of both yarn and fabric increase at a similar rate. With these higher speeds come demands on machinery that often call for radical solutions.

In winding there are various requirements that have to be met, the most common being a call for a constant yarn winding speed. With sewing threads, however, tension is often a more serious aspect of the process and while a high winding speed is required, it is often more important to maintain a constant tension.

Recently the American sewing thread manufacturer, Standard Coosa Thatcher, required a special multi-head winding machine that would take spun polyester threads through a fluid bed heat treatment process at a constant temperature.

After attempting to build a machine using a mild steel traverse, which had too high a mass, and then trying steel wire which was too weak, a solution was found in CFRP—carbon fibre reinforced plastic. A 100-head machine was developed by Shirley Institute (Didsbury, Manchester M20 8RX, Tel. 061 455 8141) and has been supplied to the U.S. where it

is found to operate efficiently and at very high speeds, but it additionally gives an improved yarn package.

The new material, into which Shirley has directed a substantial amount of effort, is both lighter and stiffer than other materials and although initially more expensive in terms of materials, because of the moulding techniques used, the final cost of the machine component is similar to one made from say, mild steel.

As a result the machines are able to operate with improved performance and offer an extended life of the traverse mechanism.

DATA PROCESSING

Quick information on chemicals

FIRE BRIGADES at the scene of chemical emergencies can gain direct computer access to essential data through Hazfile, an information retrieval system being launched jointly by the National Chemical Emergency Centre at Harwell and the Home Office.

The system, which will be available for on-line telephone access 24 hours a day, is to be mounted and stored by BOC Datasolve. It will enable fire-

men at the scene of an incident to obtain information in the shortest possible time when the product manufacturer cannot readily be contacted or identified and will provide access to more than 10,000 chemical and trade-name entries.

This information retrieval system, which Hazfile uses, is based on the STATUS II system developed by Harwell, for various information retrieval applications. It is also available as part of BOC Datasolve's own service.

Hazfile will be complementary to the existing manned telephone service provided by the Chemical Emergency Centre as a long stop in the chemical industry scheme for assistance in freight emergencies—Chemsafe.

It will operate initially on a one year pilot scheme basis, during which it will be accessible to selected fire brigades in England, Scotland and Wales. Datasolve House, 99, Staines Road West, Staines, Middlesex, Surrey TW20 9JN.



COMMUNICATIONS

Checks what callers say

DOUBLE Check System 1690 is a telephone recording system that engages the caller in a conversation and then offers him an opportunity to verify the information transmitted.

Introduced by Dictaphone Corporation, the new desktop terminal, which runs on standard cassettes, is designed for such users as banks, catalogue merchandisers, retailers, distribution centres and others relying heavily on the telephone to transact business.

Double Check serves the user to answer the call, ask a series of questions and after the last provide the option of the caller's listening to the recording just made.

After playing back the recording, the caller may amend the information while still on the line.

Dictaphone, 120 Old Post Road, Rye, New York 10580, US.

COMPONENTS

Long life filter disc

INTENDED for the filtration of pharmaceutical products, filter discs made of Nylon 66 are available from Pall Process Filtration of Portsmouth in 90, 142 and 293 mm diameters, with absolute removal ratings of 0.2 or 0.45 micrometers.

Super NM filters are claimed to be considerably stronger than the cellulose esters commonly used for disc filters and are also easily wetted—no pre-soaking is needed before use.

An advantage of the discs is that they can be sterilised in situ by steaming or autoclaving, and will not exhibit decreased flow rates as a result.

They are also claimed to have equal or longer life area for area than other organic membranes, and a wide solvent and chemical compatibility. More from Walton Road, Portsmouth, Hampshire PO6 1TD (07035 70901).

ICD
QUARTZ CRYSTALS
FOR MICROS AND INDUSTRIAL APPLICATIONS
0460 74433
Telex 46283 INFACE G
& IN PARIS 260.33.13
Telex 240.920

AT LAST, BRITAIN HAS WOKEN UP TO MICROPROCESSORS. HAVE YOU?

Successful forward planning by responsible management has to take full account of rapidly advancing technology. Increased automation of manufacturing processes, and increased sophistication of products—particularly consumer durables—are inevitable.

And at the spearhead of this exciting technological advance is the microprocessor.

Microprocessors will affect everyone.

Already, microprocessors are very much part of our lives. But they have yet to make the big impact on manufacturing and product design in Britain that is already in evidence elsewhere.

Those companies that take up this new challenge have a future. Those that fail to act quickly may find they have nothing to look forward to except stagnation and decline.

It's vital you recognise how the microprocessor will benefit your business.

The Government has already demonstrated the urgent need for industry to get to grips with the technological revolution. It has committed £400 million to a comprehensive development programme. Can you afford not to invest some time finding out how you can benefit from it?

Management Seminars will get you thinking microprocessors.

You're only three days behind those companies who are already fully aware of how microprocessors will change their business.

Because the International Institute of Science and Technology is now offering an intensive three-day course that will give you or your staff a full understanding of microprocessor capability.

This course is designed primarily for those people who have no knowledge of digital or computer technology, but is most suited to those having responsibilities related to engineering/technical/scientific disciplines.

What the course covers.

The course is based on practical instruction. You will gain knowledge of microprocessor circuitry, and will be able to write mini-programmes. You will understand entry and retrieval techniques.

But most important of all, you will be exposed to the full capability of microprocessor technology.

On returning to your company, you (or whoever you delegate to attend) will be able to play a significant role in helping to determine the way forward.

About the Institute.

The International Institute of Science and Technology is an

educational foundation based in New York, Paris and Toronto. The Institute is in business to provide comprehensive instruction and practical assistance to industry and commerce.

Companies using the Institute's services include Esso, Shell, Rolls-Royce, Rank Xerox, Ford, General Motors, Goodyear, Ciba-Geigy and the Ministry of Defence.

Your own microcomputer.

Everyone attending the International Institute of Science and Technology's seminar on Microprocessing Fundamentals will be given a micro-computer to work with during the course, and this can be retained as his/her personal property. In addition, all course manuals are retained.

The next course will be held at the Kensington Hilton, London, from February 21st to 23rd inclusive. The course fee is £410. This includes lunch each day but delegates should make their own arrangements for accommodation if needed.

The time to act is NOW

Post this coupon to the address below or if you would like to make your reservation by telephone or need more information, please phone our Registrar in London, Mlle. Agnes Forché, on 01-493 0477

Name _____ Position _____

Company _____

Address _____

Tel: _____

Please reserve _____ places for my company to attend the Microprocessor Seminar on Feb 21-23rd inc.

I enclose cheque for £ _____ Please invoice my company for £ _____

Names of delegates _____

IIST International Institute of Science and Technology
43 Rue Goethe, Luxembourg Telephone 27389 Telex 224 Luxembourg
OFFICES IN LUXEMBOURG - PARIS - TORONTO - NEW YORK

ALAHLI BANK OF KUWAIT K.S.C.

P.O. Box 1387, Kuwait. Cables: AHLIBANK. Telex: 2067 (AHLIBANK)

BALANCE SHEET AS AT DECEMBER 31, 1978 (KD1=£1.80)

ASSETS	
Cash and current accounts with banks	KD 65,439,727
Money at call and short-notice	154,841,095
Negotiable certificates of deposit	9,208,232
Quoted investments (Market value KD 25,244,723)	24,671,353
Deposits with banks	154,063,119
Advances to customers, bills discounted and other accounts, less related provisions	236,113,082
Unquoted investments:	
—Subsidiaries and associated company	1,002,607
—Affiliates and others	2,767,847
Land, buildings and equipment	1
TOTAL ASSETS	638,097,056
Customers' liability for guarantees, documentary credits and acceptances	188,466,481
TOTAL BALANCE SHEET	KD 826,563,537
LIABILITIES AND SHAREHOLDERS' EQUITY	
Current deposits and other accounts including contingency accounts	KD 536,713,321
Certificates of deposit issued	12,000,000
Medium term notes issued	6,761,500
Proposed dividend	900,000
Shareholders' equity:	
—Share capital—authorised and issued 9,000,000 shares of KD 1 per share fully paid (1877-700,000 shares of KD 10 each)	9,000,000
—Legal reserve (including share premium KD 16,100,000)	17,442,521
—Voluntary reserve	1,342,521
—General reserve	3,800,000
—Unappropriated profit	107,193
Total shareholders' equity	31,692,235
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	638,097,056
Liability on guarantees, documentary credits and acceptances	188,466,481
TOTAL BALANCE SHEET	KD 826,563,537
STATEMENT OF NET PROFIT AND APPROPRIATIONS	
Unappropriated balance brought forward	KD 128,409
Net profit after charging expenses, writing down assets and providing for contingencies	3,025,354
Total profit available for appropriation	3,153,763
Deduct: Proposed appropriations of profit:	
—Legal Reserve	302,535
—Voluntary Reserve	302,535
—General Reserve	1,500,000
—Proposed dividend 10% (1977-10%)	900,000
—Remuneration of Board of Directors	41,800
Unappropriated balance carried forward	KD 107,193

The Board of Directors is recommending to an Extraordinary General Assembly of Shareholders:

- to increase the Bank's capital to KD 10,000,000 through a bonus distribution of 1,000,000 new shares;
- to further increase the Bank's capital to KD 12,000,000 by issuing 2,000,000 new shares with a nominal value of KD 1 at KD 6 per share.

هكزا من الأصيل

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Keyser Ullmann can provide Finance for Commerce and Industry - for large or small companies in sterling or foreign currencies.

Ask Keyser Ullmann Limited

25 Milk Street, London EC2V 8JE Contact Walter Goddard, Business Development Manager Telephone 01-606 7070 Telex 885307



USA

METAL STAMPING MANUFACTURING CAPABILITIES AVAILABLE

Experienced and reputable U.S. manufacturer of large stamped and welded assemblies up to 150 ton press-work capacity offers manufacturers an opportunity to produce their products in U.S.

Mr. D. W. Blackmer, Vice President, Mossberg-Hubbard Division, Waukegan Company, 160 Bear Hill Road, Cumberland, Rhode Island, 02864. Telephone: (401) 831-1200 Telex: 92-7577

INVESTMENT OPPORTUNITY

Engineering company based near Chisleham, Gloucestershire, considering selling new industrial premises with a view to a leaseback arrangement. Write Box G.3219, Financial Times, 10 Cannon Street, EC4P 4BY.

M & D GROUP

We have funds available for investment in companies that are either profitable or have the potential to become so. If you wish to take advantage of this opportunity then please phone or write to M. W. King, M & D Group, Winterstoke Road, Weston-super-Mare, Avon. Tel: (0834) 25421.

CONSIDERING SELLING YOUR COMPANY

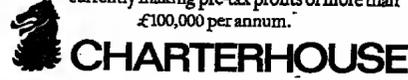
Interested in obtaining the best price? Write "Maxim", Box G.2653, Financial Times, 10, Cannon Street, EC4P 4BY.

NEW MARKETS OR PRODUCTS

You'll find both in Import/Export Opportunities Dept. the new markets and products, who are currently and actively seeking trade contacts with their British counterparts. For details write to: Import/Export Opportunities Dept FT 15 Selvaige Lane London NW7 3SS

Finance for Growing Companies

If you are a shareholder in an established and growing company and you, or your company require between £50,000 and £5,000,000 for any purpose, ring David Wills, Charterhouse Development. Investing in medium sized companies as minority shareholders has been our exclusive business for over 40 years.



Charterhouse Development Limited, 1 Paternoster Row, St. Pauls, London EC4M 7DH. Telephone 01-248 3999 A member of The Charterhouse Group

INTERNATIONAL TRADING FACILITIES

Many international commodity and trading projects fail due to lack of back-to-back finance and in capacity to fix shipment. We have the necessary resources, expertise and reputation to finance and support bona-fide propositions ready for finalisation. Please write or telecall outlining your project. All correspondence in confidence.

G.I.C. World Trade Centre Europe House, 11 Abchurch Lane, East Smithfield, E1 9AA. Telex: 884671 WTCLDN G Tel: 01-488 2400

RENAULT DEALERSHIP SOUTH EAST ENGLAND

Rapidly expanding Dealership with turnover already £14 million seeks equity capital to take advantage of unique opportunities. Minimum £50,000 for 25% share. For details, write Box G.3214, Financial Times, 10, Cannon Street, EC4P 4BY.

MORTGAGE REQUIRED

Private limited company established 25 years wishes to raise bank loan with 10 year mortgage. Amount required £25,000. All of recent written valuation. Excellent bank rates. Freehold. Write Box G.3228, Financial Times, 10 Cannon Street, EC4P 4BY.

YEMEN ARAB REPUBLIC

U.K. trading company has influential partners in Yemen. Directors travelling there regularly would consider suitable commissions. Reply to: HORN, Ltd., LTD. Tel: (011) 581 2564. Telex: 8814785

LIMITED COMPANIES

From £69 Formation U.K. and Worldwide including Isle of Man, Liberia, Panama and Anguilla. Contact: CCM Ltd., 4, Prospect Hill, Douglas, I.O.M. Tel: Douglas 23733. Telex: 627900 Bailton G.

If you Own or are Purchasing any type of modern OCEAN-GOING VESSEL

then our management subsidiary of currently Britain's most successful ship-owning group - will manage your vessel with the same care and consideration as their own under either British or foreign flag. Write Box G.3292, Financial Times, 10 Cannon Street, EC4P 4BY.

ACQUISITIONS, JOINT VENTURES OR LICENSING IN THE U.S.A.

Initial moves into the U.S. market require the advice of experienced professionals who will: tailor your requirements to the needs of the market; identify, through research, potential prospects; visit and consult with interested parties; help you to negotiate the most favourable agreement; assist with the raising of finance where appropriate. Trabel Associates and their U.S. partners - a member firm of the New York Stock Exchange - have a proven success record with both public and private companies investing in the U.S.A.

We've formed more companies than any other company

So next time you need one, phone Patricia Parry on 01-253 3030



FINANCE FOR THE SMALLER COMPANY

For further information contact: K. Dean, ARBUTHNOT FACTORS LTD., Broad Street, Hastings, E. Sussex. Tel: 0424-430824

WASHINGTON D.C.

Of significant interest to Middle Eastern investors is the opportunity to participate in property and office development in Washington, U.S.A. This has the potential of higher than usual tax relief and other benefits. For further details, please telephone Howard F. Sales, Belbroughston (STD 0682) 720519

WOODWORKING/CABINET CAPACITY

35,000 sq. ft. well-established furniture factory has spare capacity capable of producing chairs, upholstery frames, and cabinet work generally. Please write in strictest confidence to Box G.3212, Financial Times, 10 Cannon Street EC4P 4BY.

HIGH-LEVEL RECRUITMENT CONSULTANCY

CAPITAL OF £75,000 required with or without participation. Principals only. Write Box G.3208, Financial Times, 10 Cannon Street, EC4P 4BY.

ADVERTISER HAS AVAILABLE

9,000-10,000 SQ. FT. in new premises close to town shopping complex 120 miles west of London and would like to consider proposals from major sports and leisure retailers with a view to possible franchise with a spirit and leisure supplier. Principals only. Write Box G.3198, Financial Times, 10 Cannon Street, EC4P 4BY.

PRESTIGE OFFICES plus full secretarial service available now. Regent Street. Shortlisted terms. Write Box G.3215, Financial Times, 10 Cannon Street, EC4P 4BY.

FOR SALE

Interesting manufacturing and marketing project has had to be abandoned. Now being offered for sale. Fully patented, set of drawings. Small quantity near finished units available. High sales expected, great export potential; units connected with expanding leisure industry. Write Box G.3225, Financial Times, 10 Cannon Street, EC4P 4BY.

FOREIGN INVESTOR

Foreign investor seeks investment opportunities in existing companies and start-up situations. Write in confidence to: Box G.3217, Financial Times, 10 Cannon Street, EC4P 4BY.

FOR SALE

FULL PAY-OUT LEASE CONTRACT FOR SALE First-class bank references on lease. Cost: £1,000. 1 mil. US\$ can be divided into 4 parts. Write Box G.3216, Financial Times, 10 Cannon Street, EC4P 4BY.

BUSINESSMAN

ex-partner in C.A. firm visiting N.Z. via Far East while reviewing local branch and subsidiary operations for U.K. Chairman. SEEKS ADDITIONAL INTERESTING ASSIGNMENTS. Write Box G.3239, London WC1V 6GX

TRADE MAGAZINE

FOR SALE High-quality controlled circulation, industrial markets with huge potential for development. Principals only. Write Box G.3203, Financial Times, 10 Cannon Street, EC4P 4BY.

PRESTIGIOUS ADDRESS - nightbridge, Telex (0224 44) box office charges. Accounting and secretarial services from £1.25. Basil Services, 01-730 9958.

MONEY AVAILABLE for participating investors in established property or business enterprises by professional man. Write Box G.3169, Financial Times, 10, Cannon Street, EC4P 4BY.

DEAD STOCK WANTED. Live cash paid. Tel. Mr. Nhal 185321 34551.

Brenderup TRAILERS

Europe's largest trailer manufacturer Having established ourselves firmly on the UK market with 60 Main Distributors throughout the country, we now wish to expand this network in certain areas. Applications are now being invited for: MAIN DISTRIBUTORS Particularly in the following areas: NORTHANTS/STAFFS/HERFORD/WORCESTER and NORTH OF THE BORDER. Applicants should be an already established business and will be required to stock and display the Brenderup Trailer range. Our most successful dealers are Garages/Caravan Centres/Petrol Stations and Trailer and Towbar Dealers. A roadside site/display is an advantage. For further information please apply to the Managing Director BRENDERUP TRAILERS UK LTD. Naccolt Brook, Ashford, Kent. Tel: (0233) 812956 - Telex: 988212.

CHANDOR LIMITED

Hailsham Industrial Park, Diplocks Way, Hailsham, E. Sussex, England BN27 3JF. Tel: (0323) 842787. Telex: 877617. A leading supplier of rubber handling and processing machinery to Europe, Middle East, Far East, Africa, North and South America, with a total floor area of 20,000 sq. ft. Steel fabrication shop, machine shop, fitting shop, assembly and testing unit, paint shop and stove enamelling unit. Interested in manufacture under licence for export to Europe, Near and Far East, Africa, also U.K. markets. Local agents throughout the world. All correspondence to: C. J. Chamberlain

PETER WHITFIELD AND BOB TANNER

wish to buy a stake in a small public company where board control is available. Write Box G.2812, Financial Times, 10, Cannon Street, EC4P 4BY.

YOUR MAN IN GERMANY

Well established International Management-Consultant Company solves your problems in Germany. Marketing - Market Research - Management Organization. Dr. Peter Strack, Industrieberatung, Sohnstrasse 12, 4000 Düsseldorf 1, 0211-674542

YOUR KEY TO THE GERMAN MARKET

A fast-growing Hamburg-based firm offers a variety of data analysis, market research and contact facilities to British firms seeking expansion within the Common Market. For further information please write to Box G.3205, Financial Times, 10 Cannon Street, EC4P 4BY.

Chartered Accountants

Exceptional opportunity exists to acquire 100% of the equity in a firm of Chartered Accountants situated in Glasgow. Gross income £150,000. Lease of luxury offices will be included in sale. Write Box G.3162, Financial Times, 10 Cannon Street, EC4P 4BY.

LIMITED COMPANIES FORMED BY EXPERTS FOR 78 INCLUSIVE READY MADE 893 COMPANY SEARCHES

EXPRESS CO. REGISTRATIONS LTD. 01-628 5434/5, 7361, 9936.

IBM ELECTRIC TYPEWRITERS

Factory reconditioned & guaranteed by IBM. Buy, save up to 40 per cent. Lease 2 years from £2.70 weekly. Rent from £78 per month. Phone: 01-641 2385

LEASING. Finance available for £5,000 to £25,000 leasehold of plant and machinery. Write Box G.3210, Financial Times, 10, Cannon Street, London EC4P 4BY. £1 A WEEK FOR EC2 address of phone messages. Combined rates below under £2 a week. Prestige offices near Stock Exchange, Messing Ministry, International, 01-628 0898, Tele 8811725.

BUSINESS MANAGEMENT COURSES

The most worthwhile weekend of your life?

Have you decided to start your own business, but feel that you need a partner or partners to add some essential ingredients to your plan? Then why not spend a residential weekend at the Manchester Business School? Others attending may lack that extra amount of cash or idea or expertise that you possess, or they may have something you need. This is the opportunity to get together. During the programme there will be talks, case studies and project work. But the majority of the weekend will be given over to discussion of your ideas and problems with the other participants. The weekend is being run by the Manpower Services Commission in conjunction with Manchester Business School. It takes place on the 16th-18th March 1979 and costs £15. Women and men attending will be eligible to apply for the next sixteen week New Enterprise Programme at Manchester Business School. If you have an idea, or some money to invest, or some expertise to contribute to a partnership in a new business which will eventually grow to employ others, join us on this weekend. Demand for these programmes is high and there are only a limited number of places. So apply now. Send the coupon to Margaret Clarke, Manchester Business School, Booth St., Manchester M15. Telephone 061-273 8228. Please send me details of the New Enterprise weekend at Manchester Business School.

Name Address Telephone Closing date for applications, 16th February '79. MSC New Enterprise Programme Manpower Services Commission.

BUSINESSES FOR SALE

NORTHERN-BASED DOMESTIC WATER FITTINGS MANUFACTURING COMPANY FOR SALE Manufacturing luxury-quality unique design range of products. Turnover £300,000 p.a. Principals only. Write Box G.3226, Financial Times, 10 Cannon Street, EC4P 4BY.

TABLEWARE AND DECORATIVE CERAMIC COMPANY FOR SALE, LOCATED BENELUX SALES £2.5m P.A. Neglected subsidiary of larger company which needs enthusiastic entrepreneurial management to realise latent potential. Excellent opportunity for a U.K. company to establish itself in Europe cheaply and ahead of the spending recovery in European trade. Write Box G.3052, Financial Times, 10, Cannon Street, EC4P 4BY.

LONG-ESTABLISHED THAMES PLEASURE BOAT COMPANY FOR SALE Private family company operating several boats on the River Thames from Westminster. Founded in 1932 and to same family ownership. Turnover £1,313,781 approx. £1.3 million for further details please ring 01-734 7431, Rel. J.W.

PLANT AND MACHINERY GENERATORS Over 400 sets in stock 1kVA-700kVA Buy wisely from the manufacturers with full after-sales service. CLARKE GROUP 01-986 8231 Telex: 877784

GENERATORS We are specialists in supply and installation of used speed power generation equipment from 3,000 kVA to 150 kVA. We hold large stocks and offer a package deal for the complete installation. Contact: C. B. Hill, Surplus Machinery Exports Ltd., Brighton Road, Histon, Northants, Stockport, Tel: 061-432 0878. Telex: 668462.

FORK LIFT TRUCKS FOR SALE. We have at least 10 sets of stock from all leading makes. List sent on request. Deliveries arranged world-wide. Large stock of spare parts. Finance arranged. Birmingham City Centre. Tel: 021-327 3941/3. Telex: 821-327 3941/3. Tel: 021-327 3941/3. Telex: 821-327 3941/3.

AS GOING CONCERNS (would separate) 1. BLEACHING, DYEING, BRUSHING 2. COTTON MANUFACTURERS TOTAL T/O £1.7m. approx. Well established Freehold/Long Leasehold Properties. Plant, etc. S.a.v. Write Box G.3206, Financial Times, 10 Cannon Street, EC4P 4BY.

AGREED CAPITAL LOSS COMPANY FOR SALE Principals and professional advisers contact Box G.3221, Financial Times, 10, Cannon Street, EC4P 4BY.

FREEHOLD INDUSTRIAL TRADING ESTATE FOR SALE - £250,000 IN NORTH NORFOLK Approx. 20,000 sq. ft. of small units. Yielding about £26,000 year in weekly rents. E. L. FISHER, Church Farm, Hoveton, Norfolk. Tel: Wroham 2410.

FOR SALE NORTH ENGLAND VAUXHALL & CHRYSLER MAIN DEALERSHIPS Principals only please apply Box G.3211, Financial Times, 10, Cannon Street, EC4P 4BY.

FOR SALE TRANSFORMER MFR. Sales £250,000. Profits before Dir./Tax £38,000. Freehold land/buildings. Established 25 years. Strong Management. Located North West. Owner retiring. DIVERCO LTD., 4 BANK STREET, WIDNES (0955) 2293.

BUSINESSES WANTED Export Merchant Investor with substantial funds immediately available, and with first-class overseas contacts, wants to acquire a UK-based export house. Must have on-going business but present profitability not essential. All replies treated with strictest confidence. Write Box G.3220, Financial Times, 10 Cannon Street, EC4P 4BY.

STEEL STOCKHOLDER Privately owned General Steel Stockholder wishes to purchase additional depot for cash. Continuity of management if desired. All replies in strictest confidence. Write to Box G.3207, Financial Times, 10 Cannon Street, EC4P 4BY.

INVESTMENT GROUP wish to purchase structural steel fabricator as going concern in East Anglia or Midlands areas. Present management to continue. Write Box G.3218, Financial Times, 10 Cannon Street, EC4P 4BY.

ADVERTISER wishes to purchase company of going concern in London/South of England. Proportion of £20,000/£70,000 considered. Write Box G.3139, Financial Times, 10, Cannon Street, EC4P 4BY. SONGEO WAREHOUSING company and/or premises sought for acquisition in Northern Home Counties. West Midlands South-west. Please contact: Box G.3139, Financial Times, 10, Cannon Street, EC4P 4BY.

Companies and Markets

WORLD STOCK MARKETS

Indices

Early Wall St. fall on interest rate concern

INVESTMENT DOLLAR PREMIUM \$2.60 to \$1-89 1/2 (89%) Effective \$1.9985 4 1/2% (45 1/2%)

STOCKS ON Wall Street declined in light trading yesterday morning on concern and confusion about the outlook for interest rates.

The Dow Jones Industrial Average reacted 3.81 to 833.68 and the NYSE All Common

the sidelines ahead of the State investment banker to find another merger partner.

THE AMERICAN SE Market Value index shed 0.65 to 160.39 at 1 p.m. in this business.

Volume trade Resorts International "A" declined 1 1/2 to \$32.

Weldwood rose 3 1/2 to CS21 1/2. The company reported sharply higher annual profits last Friday.

Tokyo Profit-taking again eroded an early market improvement, leaving gaining issues holding just a slight lead over declines.

Canada Shares displayed an easier bias in moderate early trading, mirroring the trend on the New York stock market.

Germany Still depressed by the latest Bundesbank measures to curb money supply, stocks tended to lose further ground yesterday.

Australia Mining stocks were inclined to make fresh headway, with Copper issues particularly in demand, sentiment boosted by the recent strength of base metal prices.

Japan Public Works issues and Shipings closed lower on profit-taking.

Switzerland Diamond exploration issues drew little support and CEAs were unaltered at 253.85.

France Gold mining stock Central Norsemann, after last week's advance, fell victim to profit-taking and retreated 80 cents to 437.

Italy Shares generally moved further ahead. Olivetti Privileged climbed 92 cents to L1.278 and Sna-Viscosi 20 to L570.

Table with columns for Jan 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31. Rows for Industrial, Home Equip, Transport, Utilities, Trading vol, Day's high.

Table with columns for Jan 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31. Rows for Industrial, Composite, ind. div. yield %.

Table with columns for Jan 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31. Rows for Industrial, Composite, ind. div. yield %.

Table with columns for Jan 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31. Rows for Industrial, Composite, ind. div. yield %.

Table with columns for Jan 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31. Rows for Industrial, Composite, ind. div. yield %.

Table with columns for Stock, Jan 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31. Rows for Abbott Labs, AM International, Aetna Life & Co., etc.

Table with columns for Stock, Jan 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31. Rows for Corning Glass, OPC Int'l, Crane, etc.

Table with columns for Stock, Jan 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31. Rows for Johna Manville, Johnson Johnson, Johnson Control, etc.

Table with columns for Stock, Jan 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31. Rows for Revlon, Reynolds Metals, Reynolds, etc.

Table with columns for Stock, Jan 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31. Rows for Woolworth, Xerox, Xerox, etc.

Table with columns for Stock, Jan 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31. Rows for Abitibi Paper, Agnico Eagle, Agnico Eagle, etc.

Table with columns for Jan 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31. Rows for Industrial, Composite, ind. div. yield %.

Table with columns for Jan 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31. Rows for Industrial, Composite, ind. div. yield %.

Table with columns for Jan 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31. Rows for Industrial, Composite, ind. div. yield %.

Table with columns for Jan 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31. Rows for Industrial, Composite, ind. div. yield %.

Table with columns for Bank, Rate. Rows for A.B.N. Bank, Allied Irish Banks Ltd, Amro Bank, etc.

LOCAL AUTHORITY BONDS Every Saturday the Financial Times publishes a table giving details of Local Authority Bonds on offer to the public. For advertising details please ring Stephen Cooper 01-248 8000 Extn. 7008

Table with columns for Jan 22, Price, Div. Yield. Rows for Amsterdam, Copenhagen, Milan, Vienna.

Table with columns for Jan 22, Price, Div. Yield. Rows for Paris, Stockholm, Zurich.



Companies and Markets

COMMODITIES AND AGRICULTURE

Farm rents criticised

By John Cherrington, Agriculture Correspondent. AGRICULTURAL RENTS and the Green Pound are of particular concern to the annual general meeting of the National Farmers Union, which opens at the Central Hall Westminster today.

New copper price peak as stocks fall again

BY JOHN EDWARDS, COMMODITIES EDITOR. COPPER VALUES advanced to new 20-month highs on the London Metal Exchange yesterday, following another steep fall in warehouse stocks and further rises in U.S. domestic prices.

Fisheries ultimatum for UK

By Margaret Van Hattem in Brussels. The EEC Commission has given the British Government two weeks to modify national fisheries measures which it considers contrary to EEC rules.

EEC grain policy under fire from feed makers

BY CHRISTOPHER PARKES. COMMON MARKET animal feed makers have called on the EEC Commission for a thoroughgoing revision of the Nine's production and marketing policy for cereals.

Israel citrus harvest halted

TEL AVIV — Picking and loading of citrus fruit in Israel has been suspended since the beginning of the week following the onset of heavy rains.

Wheat pact trigger price agreed

BY BRIJ KHANDARIA IN GENEVA. THE U.S. and the EEC have taken an important step towards a new international agreement for regulating world trade in wheat.

Thai tapioca plantings reduced

BANGKOK — Thailand's tapioca roots production this year is expected to drop to 10.7m tonnes from 15m last year.

Soviet beet crop below target

BY DAVID SATTER IN MOSCOW. HAMPERED BY an early growth in geason and a cool winter, Soviet sugar beet farmers failed to meet their 1978 target.

Chinese boost for Australian wheat

SYDNEY — Australia has clinched a \$900m deal to supply 7.5m tonnes of wheat to China over the next three years. The contract is the largest agricultural export deal obtained by Australia and its first long-term agreement with China.

Thailand's tapioca plantings reduced

BANGKOK — Thailand's tapioca roots production this year is expected to drop to 10.7m tonnes from 15m last year.

Bigger soya crop forecast

WASHINGTON — The 1978-79 world soyabean harvest is forecast at 80.4m tonnes, 8 per cent above last season's 7.4m.

BRITISH COMMODITY MARKETS

BASE METALS. COPPER — Gained further ground in active trading on the London Metal Exchange.

PRICE CHANGES

Prices in tonnes unless otherwise stated. Jan. 22/23 or 1979.

LEGAL NOTICES

No. 0083 of 1978. In the High Court of Justice Chancery Division, in the Matter of D. SPENCER & CO. (INCORPORATED) and in the Matter of The Companies Act, 1948.

AMERICAN MARKETS

NEW YORK, Jan. 22. Copper — Jan. 74.25, Feb. 74.25, March 74.25, April 74.25, May 74.25, June 74.25, July 74.25, Aug. 74.25, Sept. 74.25, Oct. 74.25, Nov. 74.25, Dec. 74.25, 1979.

EUROPEAN MARKETS

PARIS, Jan. 22. Cocoa (FFR per 100 kilos) — March 1,350, April 1,350, May 1,350, June 1,350, July 1,350, Aug. 1,350, Sept. 1,350, Oct. 1,350, Nov. 1,350, Dec. 1,350, 1979.

INDICES

FINANCIAL TIMES. Jan. 1978: 18M (1978) 100, 1979: 18M (1979) 100, 1980: 18M (1980) 100.

MEAT/VEGETABLES

MEAT COMMISSION — Average fatstock prices at representative abattoirs on 22/23 Jan. 1979.

SOYABEAN MEAL

BAKER operating on the London price market. Quiet throughout the day, closing on a slightly weaker note.

SUGAR

LONDON DAILY PRICES (raw sugar) 194.00 (same) a tonne for Jan. Fab. shipment.

Escalating labour strife undermines stock markets
Long-dated Gilts hardest hit along with equity leaders

Account Dealing Dates
Optimism
First Declara- Last Account
Dealings tions Dealings Day
Jan. 2 Jan. 11 Jan. 12 Jan. 23

Stock markets turned down yesterday with the equity leaders unable to resist renewed weakness in gilt-edged securities which closed with falls ranging from 1/2 to 3/4 on growing concern about the pressures being brought to bear on price inflation and on fears that the Government may be forced into a General Election by the current industrial strife.

The inflationary implications of current pay demands coupled with anxieties about interest rate levels were reflected yesterday in gross redemption yields on long-dated British Funds reaching 14 per cent, the FT Government Securities index lost 0.37 further to 87.00, its lowest since July 22, 1977.

Recent willing buyers of top-name shares went to ground and the price level gave way after last week's publication of the terms, although selling was slight and mostly confined to the early trade.

Prospective buyers lowered their sights but stock was being absorbed at the lower levels and the FT Industrial Ordinary share index, off 5.8 at 11 a.m. and 6.1 down at the day's lowest (at 2 p.m.), closed with a net loss of 5.8 at 473.1.

South African Gold shares resisted the malaise. American and other foreign buying being drawn by the continued upsurge in the price of bullion which settled 1/4 higher at \$234 1/2 per ounce. Heavyweight stocks rose by a full point and gains among the lesser-priced issues were also considerable.

Midland dull
Confirmation that the major clearing banks will reveal their had debt provisions with next month's annual results failed to make an impression on the big

four which had drifted lower in sympathy with the general trend. Closing levels were a few pence above the day's lowest, although Midland ended only a penny off the bottom at 367p, down 11. Lloyds relinquished 6 to 290p and Barclays 5 to 383p, while NatWest finished 3 off at 238p.

Among Discos, Alexanders improved 4 to 252p in response to the preliminary statement and Union gained 7 to 317p following comment, ahead of tomorrow's annual results.

Suspended last November at 410p following news of the plan to merge with Bland Payne, dealings were resumed yesterday in Sedgwick Furnes after last week's publication of the terms; returning at 405p, the shares eased in active trading to 385p before closing at 396p.

A quiet day's trade left brewery and kindred issues at lower levels, although little selling developed. Press comment failed to fit Whitbread, which eased 2 to 100p. Among the distillery issues, Highland fell 6 to 36p and Diatillers closed 2 off at 208p.

Conditions in the Building sector were extremely quiet and the majority of scattered movements throughout the list were limited to a few pence either way. Vectis Stone, a recent speculative favourite, reacted 3 to 52p.

MFI Furniture down
Although Barton ordinary shares put on 5 more to 210p, interest in the A shares waned after last week's rise which partly reflected enfranchisement hopes and softened 2 to 190p, after 193p, with the Warrants easing 1 1/2 to 50p.

Light selling and lack of support left its mark on the Electrical leaders. Final quotations, however, were a penny or so above the worst with GEC closing 5 cheaper at 322p, while Thorn eased to 354p before

settling at 356p for a fall of 6. Elsewhere, the trend was also to lower levels, but H. Wigfall followed a bright spot with a rise of 9 to 261p, after 265p, on speculative buying.

Closing falls in the Engineering leaders were fairly substantial, but selling was mostly of modest proportions. Awaiting Friday's interim results, John Brown

returned later and reacted to close 6 down at 39p following the Board's bid details and its request to the Stock Exchange to investigate recent dealings in the shares.

Deferred closed a penny off at 30p, after 39p. Profit-taking following Friday's bid approach news left Ash Spinning 5 cheaper at 104p. Elsewhere in quietly-traded Textiles, Scottish, English and European added 2 to 82p in front of tomorrow's half-timer, while Small and Tidmas jumped 10 to 55p in a thin market.

Confirmation from Sime Darby that it will not raise its offer for Guthrie beyond the present 42p per share took the latter down to equal the planned bid price before support developed which left a close of 428p, down 8. Sime added a penny to 110p. Elsewhere Plantations made progress following a strong Singapore market. Kuala Lumpur Rubber put on 4 to 88p, while Cardifed, 253p, and Chersonesa, 53p, both added 3.

Gold strong again
The recent upsurge in South African Gold shares gathered pace following the strong performance by the bullion price, which climbed \$4.50 to \$234.125 per ounce—its highest closing level since November 1 when the dollar support package including the U.S. Treasury monthly gold auctions of 1.5m ounces, was announced.

Share prices were marked up at the outset and continued to improve throughout the day following persistent buying from Johannesburg, the Continent, London and in the late trade the U.S.

Shares in the heavyweights ranged up to a point, as in Randfontein, 232 1/2, while Free State Gold advanced 1/2 to £151 and Western Holdings, 3 to £18.

The marginal South African Land added 3 more to a 1978-9 return to the dividend list. On the other hand, East Daggafontein dropped 8 to 19p owing

to a 10-month-old record was smashed.

Shares in the heavyweights ranged up to a point, as in Randfontein, 232 1/2, while Free State Gold advanced 1/2 to £151 and Western Holdings, 3 to £18.

Shares in the heavyweights ranged up to a point, as in Randfontein, 232 1/2, while Free State Gold advanced 1/2 to £151 and Western Holdings, 3 to £18.

Shares in the heavyweights ranged up to a point, as in Randfontein, 232 1/2, while Free State Gold advanced 1/2 to £151 and Western Holdings, 3 to £18.

Shares in the heavyweights ranged up to a point, as in Randfontein, 232 1/2, while Free State Gold advanced 1/2 to £151 and Western Holdings, 3 to £18.

Shares in the heavyweights ranged up to a point, as in Randfontein, 232 1/2, while Free State Gold advanced 1/2 to £151 and Western Holdings, 3 to £18.

Shares in the heavyweights ranged up to a point, as in Randfontein, 232 1/2, while Free State Gold advanced 1/2 to £151 and Western Holdings, 3 to £18.

Shares in the heavyweights ranged up to a point, as in Randfontein, 232 1/2, while Free State Gold advanced 1/2 to £151 and Western Holdings, 3 to £18.

Shares in the heavyweights ranged up to a point, as in Randfontein, 232 1/2, while Free State Gold advanced 1/2 to £151 and Western Holdings, 3 to £18.

Shares in the heavyweights ranged up to a point, as in Randfontein, 232 1/2, while Free State Gold advanced 1/2 to £151 and Western Holdings, 3 to £18.

Shares in the heavyweights ranged up to a point, as in Randfontein, 232 1/2, while Free State Gold advanced 1/2 to £151 and Western Holdings, 3 to £18.

Shares in the heavyweights ranged up to a point, as in Randfontein, 232 1/2, while Free State Gold advanced 1/2 to £151 and Western Holdings, 3 to £18.

FINANCIAL TIMES STOCK INDICES

Table with columns for various stock indices (Government Secs, Fixed Interest, Industrial, Gold Mines, etc.) and their values for different dates.

10 am 1979 FT Stock Index: Govt. 87.51, Ind. 473.1, Gold Mines 132.5, etc.

HIGHS AND LOWS

Table showing high and low prices for various stock categories like Govt Secs, Fixed Int., Ind., Ord., Gold Mines, etc.

OPTIONS

DEALING DATES: First Declara- Last Account Dealings tions Dealings Day Jan. 2 Jan. 11 Jan. 12 Jan. 23

NEW HIGHS AND LOWS FOR 1978/9

Table listing new highs and lows for various companies and sectors in 1978/9.

Coal production records broken

THREE COLLIERIES in Nottinghamshire and Derbyshire have broken weekly coal production records, the Coal Board said yesterday.

RISES AND FALLS YESTERDAY

Table showing rises and falls in various financial instruments like British Funds, Govt. Bonds, etc.

ACTIVE STOCKS

Table listing active stocks with columns for stock name, price, change, and other details.

AVIATION INDUSTRY SURVEYS 1979. The Financial Times is planning to publish a number of Surveys in 1979 on the Aviation and Aviation-related Industries. Titles listed include: AIRLINERS—THE NEW GENERATION, TORNADO, BUSINESS TRAVEL, AEROSPACE, etc.

LONDON TRADED OPTIONS. Table showing options for various stocks like SP, Corn Union, etc. RECENT ISSUES. Table listing recent issues like AEO, SSO, etc. FIXED INTEREST STOCKS. Table listing fixed interest stocks like F.P. 100, etc. RIGHTS OFFERS. Table listing rights offers for various companies.

FT-ACTUARIES SHARE INDICES. These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries. Table showing equity groups and sub-sections with their respective indices and values.



AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table listing various unit trusts and their performance metrics, including Abbey Unit Trst, Abbey Fund, and others.

Table listing authorised unit trusts such as Minister Food Managers Ltd., Quilter Management Co. Ltd., and others.

Table listing offshore and overseas funds including Alexander Fund, Allen Harvey & Ross Inv. Mgt., and others.

Table listing offshore and overseas funds including Keyser Ullmann Ltd., Kiang & Shaxson Mgrs., and others.

CORAL INDEX: Close 470.475

INSURANCE BASE RATES: 12%, 11.25%

NOTES: Prices do not include premium, excess where applicable...

**EXPORTERS-
CASH FLOW
GUARANTEED**

contact-B.D. Kay
INTERNATIONAL FACTORS LTD
Circus House, New England Road,
Brighton BN1 4GX Tel: (0273) 806700
Birmingham, Cardiff, Leeds,
London, Manchester.

FT SHARE INFORMATION SERVICE

BONDS & RAILS—Cont.

1979-79	High	Low	Stock	Price	Yield	Div. %	Div. Yield
54	46	46	Greek 7% 1980	50	12.25	3.5	4.38
55	46	46	Do 5% 1980	48	12.10	3.5	4.28
56	46	46	Do 4% 1980	46	12.00	3.5	4.20
57	46	46	Do 3% 1980	44	11.90	3.5	4.15
58	46	46	Do 2% 1980	42	11.80	3.5	4.10
59	46	46	Do 1% 1980	40	11.70	3.5	4.05
60	46	46	Do 0% 1980	38	11.60	3.5	4.00
61	46	46	Do 0% 1980	36	11.50	3.5	3.95
62	46	46	Do 0% 1980	34	11.40	3.5	3.90
63	46	46	Do 0% 1980	32	11.30	3.5	3.85
64	46	46	Do 0% 1980	30	11.20	3.5	3.80
65	46	46	Do 0% 1980	28	11.10	3.5	3.75
66	46	46	Do 0% 1980	26	11.00	3.5	3.70
67	46	46	Do 0% 1980	24	10.90	3.5	3.65
68	46	46	Do 0% 1980	22	10.80	3.5	3.60
69	46	46	Do 0% 1980	20	10.70	3.5	3.55
70	46	46	Do 0% 1980	18	10.60	3.5	3.50
71	46	46	Do 0% 1980	16	10.50	3.5	3.45
72	46	46	Do 0% 1980	14	10.40	3.5	3.40
73	46	46	Do 0% 1980	12	10.30	3.5	3.35
74	46	46	Do 0% 1980	10	10.20	3.5	3.30
75	46	46	Do 0% 1980	8	10.10	3.5	3.25
76	46	46	Do 0% 1980	6	10.00	3.5	3.20
77	46	46	Do 0% 1980	4	9.90	3.5	3.15
78	46	46	Do 0% 1980	2	9.80	3.5	3.10
79	46	46	Do 0% 1980	0	9.70	3.5	3.05

BANKS & HP—Continued

1979-79	High	Low	Stock	Price	Yield	Div. %	Div. Yield
35	37	37	Keyser (Winn)	46	12.25	3.5	4.38
36	37	37	Keyser (Winn)	44	12.10	3.5	4.28
37	37	37	Keyser (Winn)	42	12.00	3.5	4.20
38	37	37	Keyser (Winn)	40	11.90	3.5	4.15
39	37	37	Keyser (Winn)	38	11.80	3.5	4.10
40	37	37	Keyser (Winn)	36	11.70	3.5	4.05
41	37	37	Keyser (Winn)	34	11.60	3.5	4.00
42	37	37	Keyser (Winn)	32	11.50	3.5	3.95
43	37	37	Keyser (Winn)	30	11.40	3.5	3.90
44	37	37	Keyser (Winn)	28	11.30	3.5	3.85
45	37	37	Keyser (Winn)	26	11.20	3.5	3.80
46	37	37	Keyser (Winn)	24	11.10	3.5	3.75
47	37	37	Keyser (Winn)	22	11.00	3.5	3.70
48	37	37	Keyser (Winn)	20	10.90	3.5	3.65
49	37	37	Keyser (Winn)	18	10.80	3.5	3.60
50	37	37	Keyser (Winn)	16	10.70	3.5	3.55
51	37	37	Keyser (Winn)	14	10.60	3.5	3.50
52	37	37	Keyser (Winn)	12	10.50	3.5	3.45
53	37	37	Keyser (Winn)	10	10.40	3.5	3.40

CHEMICALS, PLASTICS—Cont.

1979-79	High	Low	Stock	Price	Yield	Div. %	Div. Yield
54	56	56	Franklin Plastics	62	12.25	3.5	4.38
55	56	56	Franklin Plastics	60	12.10	3.5	4.28
56	56	56	Franklin Plastics	58	12.00	3.5	4.20
57	56	56	Franklin Plastics	56	11.90	3.5	4.15
58	56	56	Franklin Plastics	54	11.80	3.5	4.10
59	56	56	Franklin Plastics	52	11.70	3.5	4.05
60	56	56	Franklin Plastics	50	11.60	3.5	4.00
61	56	56	Franklin Plastics	48	11.50	3.5	3.95
62	56	56	Franklin Plastics	46	11.40	3.5	3.90
63	56	56	Franklin Plastics	44	11.30	3.5	3.85
64	56	56	Franklin Plastics	42	11.20	3.5	3.80
65	56	56	Franklin Plastics	40	11.10	3.5	3.75
66	56	56	Franklin Plastics	38	11.00	3.5	3.70
67	56	56	Franklin Plastics	36	10.90	3.5	3.65
68	56	56	Franklin Plastics	34	10.80	3.5	3.60
69	56	56	Franklin Plastics	32	10.70	3.5	3.55
70	56	56	Franklin Plastics	30	10.60	3.5	3.50
71	56	56	Franklin Plastics	28	10.50	3.5	3.45
72	56	56	Franklin Plastics	26	10.40	3.5	3.40
73	56	56	Franklin Plastics	24	10.30	3.5	3.35
74	56	56	Franklin Plastics	22	10.20	3.5	3.30
75	56	56	Franklin Plastics	20	10.10	3.5	3.25
76	56	56	Franklin Plastics	18	10.00	3.5	3.20
77	56	56	Franklin Plastics	16	9.90	3.5	3.15
78	56	56	Franklin Plastics	14	9.80	3.5	3.10
79	56	56	Franklin Plastics	12	9.70	3.5	3.05

ENGINEERING—Continued

1979-79	High	Low	Stock	Price	Yield	Div. %	Div. Yield
54	56	56	Adrian Tech 100	62	12.25	3.5	4.38
55	56	56	Adrian Tech 100	60	12.10	3.5	4.28
56	56	56	Adrian Tech 100	58	12.00	3.5	4.20
57	56	56	Adrian Tech 100	56	11.90	3.5	4.15
58	56	56	Adrian Tech 100	54	11.80	3.5	4.10
59	56	56	Adrian Tech 100	52	11.70	3.5	4.05
60	56	56	Adrian Tech 100	50	11.60	3.5	4.00
61	56	56	Adrian Tech 100	48	11.50	3.5	3.95
62	56	56	Adrian Tech 100	46	11.40	3.5	3.90
63	56	56	Adrian Tech 100	44	11.30	3.5	3.85
64	56	56	Adrian Tech 100	42	11.20	3.5	3.80
65	56	56	Adrian Tech 100	40	11.10	3.5	3.75
66	56	56	Adrian Tech 100	38	11.00	3.5	3.70
67	56	56	Adrian Tech 100	36	10.90	3.5	3.65
68	56	56	Adrian Tech 100	34	10.80	3.5	3.60
69	56	56	Adrian Tech 100	32	10.70	3.5	3.55
70	56	56	Adrian Tech 100	30	10.60	3.5	3.50
71	56	56	Adrian Tech 100	28	10.50	3.5	3.45
72	56	56	Adrian Tech 100	26	10.40	3.5	3.40
73	56	56	Adrian Tech 100	24	10.30	3.5	3.35
74	56	56	Adrian Tech 100	22	10.20	3.5	3.30
75	56	56	Adrian Tech 100	20	10.10	3.5	3.25
76	56	56	Adrian Tech 100	18	10.00	3.5	3.20
77	56	56	Adrian Tech 100	16	9.90	3.5	3.15
78	56	56	Adrian Tech 100	14	9.80	3.5	3.10
79	56	56	Adrian Tech 100	12	9.70	3.5	3.05

BRITISH FUNDS

“Shorts” (Lives up to Five Years)

1979-79	High	Low	Stock	Price	Yield	Div. %	Div. Yield
109	99	99	Treasury 11% 1992	11.51	12.05	3.5	4.38
110	99	99	Treasury 11% 1992	11.49	12.03	3.5	4.36
111	99	99	Treasury 11% 1992	11.47	12.01	3.5	4.34
112	99	99	Treasury 11% 1992	11.45	11.99	3.5	4.32
113	99	99	Treasury 11% 1992	11.43	11.97	3.5	4.30
114	99	99	Treasury 11% 1992	11.41	11.95	3.5	4.28
115	99	99	Treasury 11% 1992	11.39	11.93	3.5	4.26
116	99	99	Treasury 11% 1992	11.37	11.91	3.5	4.24
117	99	99	Treasury 11% 1992	11.35	11.89	3.5	4.22
118	99	99	Treasury 11% 1992	11.33	11.87	3.5	4.20
119	99	99	Treasury 11% 1992	11.31	11.85	3.5	4.18
120	99	99	Treasury 11% 1992	11.29	11.83	3.5	4.16
121	99	99	Treasury 11% 1992	11.27	11.81	3.5	4.14
122	99	99	Treasury 11% 1992	11.25	11.79	3.5	4.12
123	99	99	Treasury 11% 1992	11.23	11.77	3.5	4.10
124	99	99	Treasury 11% 1992	11.21	11.75	3.5	4.08
125	99	99	Treasury 11% 1992	11.19	11.73	3.5	4.06
126	99	99	Treasury 11% 1992	11.17	11.71	3.5	4.04
127	99	99	Treasury 11% 1992	11.15	11.69	3.5	4.02
128	99	99	Treasury 11% 1992	11.13	11.67	3.5	4.00
129	99	99	Treasury 11% 1992	11.11	11.65	3.5	3.98
130	99	99	Treasury 11% 1992	11.09	11.63	3.5	3.96

AMERICANS

1979-79	High	Low	Stock	Price	Yield	Div. %	Div. Yield
21	13	13	ASA	13.5	13.00	3.5	4.38
22	13	13	ASA	13.4	12.98	3.5	4.36
23	13	13	ASA	13.3	12.96	3.5	4.34
24	13	13	ASA	13.2	12.94	3.5	4.32
25	13	13	ASA	13.1	12.92	3.5	4.30
26	13	13	ASA	13.0	12.90	3.5	4.28
27	13	13	ASA	12.9	12.88	3.5	4.26
28	13	13	ASA	12.8	12.86	3.5	4.24
29	13	13	ASA	12.7	12.84	3.5	4.22
30	13	13	ASA	12.6	12.82	3.5	4.20
31	13	13	ASA	12.5	12.80	3.5	4.18
32	13	13	ASA	12.4	12.78	3.5	4.16
33	13	13	ASA	12.3	12.76	3.5	4.14
34	13	13	ASA	12.2	12.74	3.5	4.12
35	13	13	ASA	12.1	12.72	3.5	4.10
36	13	1					

GUYSON The Best Blast Cleaners in the World

Fairview Creating hives for industry

ASLEF halts trains again on Thursday

BY PHILIP BASSETT, LABOUR STAFF

THE TRAIN-DRIVERS' union, ASLEF, yesterday called a further one-day national strike for Thursday after Sir Peter Parker...

Big clearing banks to change accounting rules on bad debts

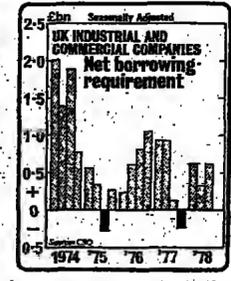
BY MICHAEL LAFFERTY

THE BIG London clearing banks are to abandon the special "Leach-Lawson" accounting rules which have been observed in bank accounts for almost a decade.

The Governor intervenes

THE LEX COLUMN

Index fell 5.8 to 473.1



Last night the Governor of the Bank of England told an increasingly demoralised gilt-edged market what it wanted to hear: that there must be no loss of resolve in sticking to monetary targets.

Hauliers stand firm on 15% pay offer

BY NICK GARNETT, LABOUR STAFF

EMPLOYERS in the lorry drivers dispute decided yesterday to take a tough stance over the strikers' claim for a 23 per cent pay rise.

Algerian gas plant given \$1bn in French credits

BY TERRY DODSWORTH AND FRANCIS GHILES

A \$1.05bn (£525m) financial package is being arranged for the state Algerian oil and gas company, Sonatrach, by a group of French banks and the French export credits organisation, Coface.

Industry's deficit up to £1.8bn

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

INDUSTRY increased profits last year more slowly than its increase in spending on fixed assets and stocks of goods and raw materials.

Public Carter rejects general tax cut

Continued from Page 1

He claimed that his budget had spread the burden "fairly and objectively," but that the necessary spending restraint meant that in some areas the Government will simply not be able to do as much as it has in the past.

IMPERIAL HOUSE FARNBOROUGH a perfect office location

Accessibility Farnborough is excellently located for communications. The M3 Motorway is within 2 miles providing direct and fast access to London and Heathrow Airport.

Weather

Table with weather forecasts for UK TODAY, BUSINESS CENTRES, and HOLIDAY RESORTS.

Public Carter rejects general tax cut

Continued from Page 1. emergency services, and reminding the ambulance men that anyone who did not was in "clear breach" of union policy.

Public Carter rejects general tax cut

Continued from Page 1. These include summer job schemes for the young, social security benefits for widows, subsidised school lunches, training for nurses and, smaller grants to local authorities under the counter-cyclical revenue sharing plan.